FOREIGN Commerce Weekly

Vol. VII, *No.* 7 *May* 23, 1942

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"MASTS, SAILS . . . TO STAND THE TEST OF BRINE"

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DEPARTMENT OF COMMERCE

JESSE H. JONES, *Secretary*

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DEPOSITED BY THE
UNITED STATES OF AMERICA

Wood, Wind, and Sail—The Coffee Fleet

By HONORABLE WAYNE CHATFIELD TAYLOR, *Under Secretary of Commerce*

One of the heaviest blows to German morale, one of the most frequent causes of complaint since the beginning of the war, has been the empty coffee cup. In each new conquest among the first booty seized by the modern German robber-barons were the coffee stocks.

Today our own coffee pot is threatened with being relegated to a place on the top shelf of the cupboard. The reason for this prospect is not inability on the part of our neighbor coffee producers to grow and sell all the coffee we—and all our Allies—may want. There is a surplus rather than a shortage of coffee in this hemisphere. But we face an increasing shortage of inter-American shipping—an inter-American shortage of ships made of steel.

Why Not Build Sailing Ships?

But must ships be built of steel? Flying down to Rio—38 flying hours from Miami to the Third Meeting of the Ministers of Foreign Affairs of the American Republics—we skirted South America's coast. Far below us, we saw scores of sailing boats moving over blue or muddy water—so far below us as to resemble Brazil's famed "saubas," or "army ants," which slowly but surely have carried the bits of leaves and wood that have piled up, now, into a multitude of strange-shaped "mountains," across many miles of Brazil's famed pampa lands.

I thought of these ant armies as I watched the sailing ships below. If minute ants can build towering stock piles by moving bits of leaves and individual grains of sand and food, why couldn't we—I wondered—similarly build our own stock piles, in this emergency; why couldn't coffee and cocoa beans, coconuts, minerals, sugar, machinery, newsprint, and other vital supplies be moved, ton after ton, northward and southward, from and to our Gulf ports through the Caribbean—in small sailing ships?

Ships of steel and speed began replacing our ships of wood and sail a hundred years ago, but let us not forget that during World War I men reverted to wood and sail; a large number of wooden auxiliary schooners were built by the British, were found most useful in replacing the losses caused by the German submarine blockade. The experience of the British was that sailing ships were more difficult for submerged submarines to detect.

There Must Be No Transport Bottleneck

Today, in the midst of a seven seas' war, it is apparent that we cannot depend on having enough ships of steel—or enough fuel—to carry both civilian goods and the armies, armaments, military supplies, and essential war resources to far continents. We, and all our Allies, must transport so many essential materials needed for winning the war—resources such as bauxite, copper, coal,

The Gulf and Caribbean—for centuries the principal highway of the Western Hemisphere—today more important than ever.

iron ore, vegetable oils and fibers, petroleum, tungsten, tin—that, for coffee, fruit, sugar, and many civilian commodities, there may be a decreasing amount of available steel-ship shipping space.

More and more of our steel ships, as many of us foresaw months ago, will be required to travel swiftly, in convoys, farther and farther away from our hemisphere shores. They will need to stop loading cargo for inter-American ports and load, instead, constantly increasing war supplies—for ports farther and farther away, on the other side of the globe.

Along the coasts of the Caribbean Islands and the mainland, sail has not completely given way to steam; large and small sailing ships are still used to transport market produce. Timber—cedar, mahogany, pine, juniper, lignum vitae, cypress, ebony, greenheart—woods with unusual seagoing attributes, and labor, skilled in maritime woodcraft, are to be found in great abundance.

Average Time of Sailing Vessels From New Orleans to Caribbean Ports

Some people have not favored our use of sailing ships "because it is almost impossible to estimate with any degree of accuracy" the sailing time of ships from New Orleans to ports in the Caribbean; many variant factors, such as winds, seasons, choice of routes, types of vessels, and cargo carried, will change the vessel's course by as much as 500 miles, decrease or increase the sailing time from 1 to 10 days. This is true, but the problem is not one of foretelling time accurately.

A captain who sails on a voyage from New Orleans to Port of Spain, Trinidad, will estimate the voyage anywhere from 3 to 5 weeks, take along provisions—which take up much less space than fuel—accordingly. In the spring of the year, with favorable winds he may make Trinidad in 21 days, but he is not disturbed by a voyage of 25 to 30 days. He gets his cargo cheaply, from New Orleans to Trinidad, and that is the fact which is valuable to him—and to us.

Average sailing time, in days, of sailing ships from New Orleans to Caribbean ports

New Orleans to—	Miles [1]	Days [2] (outward)	Days [3] (return)
Colombia:			
Cartagena	1,478	22	18
Buenaventura	1,787	28	21
Venezuela:			
Maracaibo	1,629	24	20
Puerto Cabello	1,825	25	20
La Guiara	1,858	25	21
Margarita Island	1,976	26	21
Trinidad: Port of Spain	2,059	25–30	16
Puerto Rico: San Juan	1,535	18	14
Jamaica: Kingston	1,135	14	10
Cuba:			
Santiago	1,122	10–11	8
Habana	602	7–9	6
Cienfuegos	866	8–9	7
Port Banes	1,007	8–9	7
Haiti: Port au Prince	1,225	14	11
Dominican Republic:			
Santo Domingo	1,514	17	13
Puerto Plata	1,268	15	12
Sanchez	1,417	18	14
Curacao, N. W. I.	1,680	24	20
Mexico:			
Veracruz	789	7–8	4–5
Progreso	556	7	5
Tampico	711	6–7	3–4
Carmen	723	7	5
Campeche	650	7	5

[1] Nautical miles. (Approximately 15 percent greater than statute miles.)
[2] Approximate sailing time for the outward voyage.
[3] Approximate sailing time for the return voyage.

Courtesy Pan American Union.

Ships such as these———

Courtesy William LaVarre.

———built and manned in the Caribbean———

Average sailing time, in days, of sailing ships from New Oreleans to Caribbean ports—Continued.

New Orleans to—	Miles	Days (outward)	Days (return)
Guatemala:			
Livingston	944	11–12	7
Puerto Barrios	960	11–12	7
Nicaragua: Bluefields	1,201	13	8
Honduras:			
Tela	915	11–12	7
Puerto Cortes	920	11–12	7
British Honduras: Belize	850	10	5
Costa Rica:			
Port Limon	1,306	15	9
Puntarenas (via Panama Canal)	1,904	27	18
Panama Canal	1,444	21	12
El Salvador: La Union (via Panama Canal)	2,181	32	22

Economic Importance of a "Coffee Fleet"

Brazil, greatest coffee producer in the world, has a 1941–42 annual coffee-shipment quota to the United States of 603,600 tons. To bring this coffee to Gulf ports (on which much besides our own breakfast tables depends) would require more than 120 voyages of 5,000-ton freighters. We may not have that many freighters available—for importing coffee.

But we can convoy Brazil's coffee to some Caribbean storage base, and then bring it through the Caribbean to a Gulf port on an endless belt of sailing ships—2,012 voyages of 300-ton sailing ships.

Coffee, however, is just one of many products which we will have to ration, in smaller and smaller quantities, if we do not have an auxiliary inter-American fleet.

Brazil, each year, produces 1,641,841 tons of other resources which could be transported from a West Indies base through the Caribbean in sailing ships—

5,476 voyages of 300-ton sailing ships. There is sailing-ship freight, from Brazil alone, to fill more than 7,488 annual voyages, of 300-ton schooners.

Wooden Ships a Silent Weapon Against Undersea Warfare

The "Coffee Fleet" can be a means of stabilizing the economies of many other Latin American neighbors. Coffee is produced for export by 14 of the Latin American republics, and is the leading commodity of 7 countries: Brazil, Colombia, Costa Rica, Guatemala, Haiti, El Salvador, and Nicaragua. In Central America, alone, coffee comprises one-half the total value of exports.

Cargo Suitable for Sailing Ships (If Transported by Fast Convoy From Brazil, Peru, Ecuador, to a Caribbean Storage Base)

Country	Coffee	Other essentials
	Metric tons	*Metric tons*
Brazil	603,600	1,641,641
Peru	1,709	567,631
Ecuador	10,267	55,813
Colombia	237,900	53,452
Venezuela	17,220	11,893
Panama		144,176
Costa Rica	13,200	19,169
Nicaragua	12,870	7,552
El Salvador	39,600	10,335
Guatemala	35,310	7,117
Honduras	1,320	39,454
Haiti	18,150	26,761
Dominican Republic	8,209	601,026
Cuba	5,492	2,000,000
Mexico	34,004	182,630
Total	1,038,851	5,370,850
Voyages required for 300-ton sailing ships	*Number* 3,796	*Number* 17,936

If we allow large surpluses of coffee to accumulate in these countries because of our inability to transport it to the United States—and we may be powerless to prevent such an occurrence if we depend only on steamer space—the economic stability of the Latin American countries which depend largely upon coffee exports will be disrupted.

The problem is transportation: Raw material, the vital export, is at one port of our hemisphere—the consumer at another. Let us revamp an age-old means of communication and conveyance, reshape it to combat the submarine pirate of the present decade.

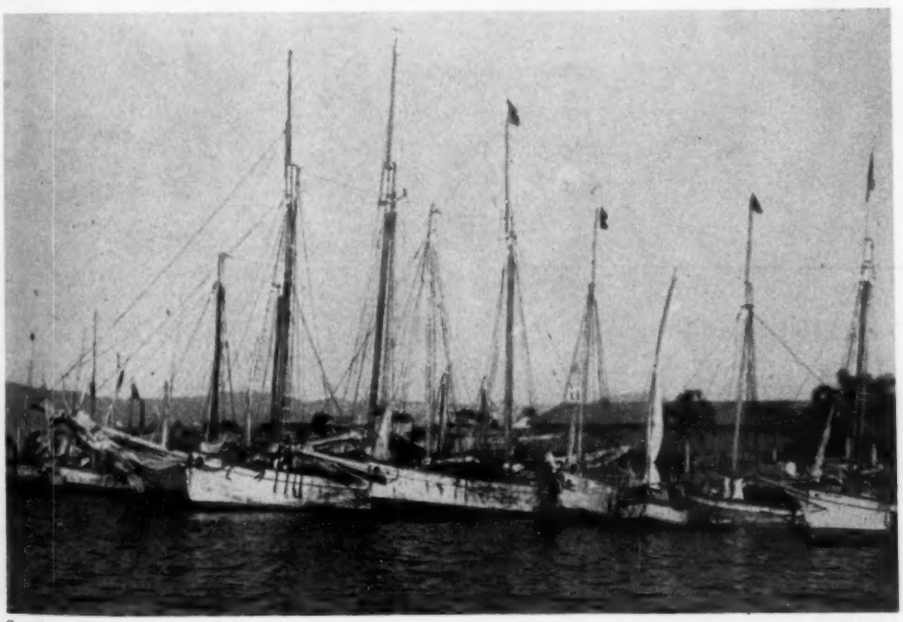
Sailing-Ship Voyages[1] Required, Between the Caribbean Base and Gulf Ports

For cargo from—	Voyages to Gulf ports	
	For coffee	Other cargo
Brazil[2]	2,012	5,476
Peru[2]	6	1,892
Ecuador[2]	34	186
Colombia	658	178
Venezuela	58	40
Panama		18
Costa Rica	44	64
Nicaragua	43	25
El Salvador	132	34
Guatemala	118	23
Honduras	5	132
Haiti	60	96
Dominican Republic	27	2,004
Cuba	18	50,000
Mexico	113	562

[1] Based on 300-ton-capacity schooners.
[2] Convoyed to Caribbean storage base, transshipped through Caribbean in sailing ships.

Many U. S. Exports Can Also Be Carried in Sailing Ships

Latin America is today, more than ever, dependent upon us for many of its consumer and industrial requirements. We will have many potential exports which cannot obtain a high steel-ship priority but which could be slowly—but cumulatively—transported to Latin American ports and storage bases throughout the Caribbean—in sailing ships.



Courtesy Pan American Union.

———could carry American goods———

Courtesy William LaVarre.

———between the American nations.

Sailing Ships Urgently Needed

The records of the Maritime Commission and the evidence of submarine sinkings present sufficient reasons, without using higher economics, for the hasty construction now, I believe, of auxiliary schooners for use in the Caribbean. It is stated that we are now building steel ships at our maximum speed. It is evident that the Axis submarines will try to sink our steel ships at maximum speed. There is only a pessimist's doubt that we can build, in time, many more steel ships than the Axis can sink. But with wooden auxiliary sailing ships we can take *extra* advantage of two strategic transportation assets with which nature has endowed our hemisphere, a great inland sea, and a great river—the Caribbean and the Mississippi.

Although some of our domestic yards and skills may now be available, in view of the shortages of facilities and manpower generally developing throughout the Atlantic and Pacific coasts we ought to make every effort to have these inter-American auxiliary schooners built in the Caribbean—using the idle labor and resources of our southern neighbors. For that reason we have not shown, in the accompanying map, domestic shipbuilding yards. The Caribbean is the present-day Western Hemisphere home of the sailing ship, and it is there that we find combined the materials of construction, the skills of construction and operation, and the coffee, sugar, and other resources which are, for lack of transportation, already presenting us with an increasingly serious storage and rationing problem.

Of wood and wind there is an abundance. The craft of building sailing ships has been handed down throughout the Caribbean, for generations, from father to son. Throughout the Caribbean coast and in each of the islands are scattered many small shipyards, marine railways,

(Continued on p. 41)

Soviet Industries in the Urals—

Bastion of Productive Power Lies Far to East of Fighting Fronts

By ERNEST C. ROPES,
Department of Commerce

The words of Churchill come over the air waves, cogent and incisive. "Their own magnificently developed and reorganized munitions resources," he is saying—in the speech heard by the world on May 10. The Prime Minister's reference is to the industries of the Soviet Union—industries which, since Hitler's attack began last June, have experienced most radical changes.

Along the shifting fighting fronts in western Russia and the Ukraine, industries have in many instances been shattered; mechanized warfare has swept over factories and mines; great manufacturing areas have changed hands (and changed back again); machinery has been swiftly and efficiently carried away by the defenders, to be reestablished elsewhere; the modifications and distortions of the old conditions have often been so drastic that accurate appraisals of the situation are impossible today.

But far to the east of the moving battle lines is a great bulwark of Soviet productive capacity which "stays put," which steadily grows more dynamic, and which continually means more to the political and economic future of the world. That is the industrial area of the Urals. This article examines it on the basis of the latest data that are available in Washington.[1]

Striking Changes in a Quarter-Century

Before the Revolution in 1917, the Ural industrial district was hardly worthy of a name. True, the chain of low mountains, stretching from the Arctic Ocean south to within some 400 miles of the Caspian Sea, was known to have considerable deposits of many metals and minerals, some of which had been worked by primitive methods for many years,

Courtesy "Soviet Russia Today."

Giant flywheel works for Russia.

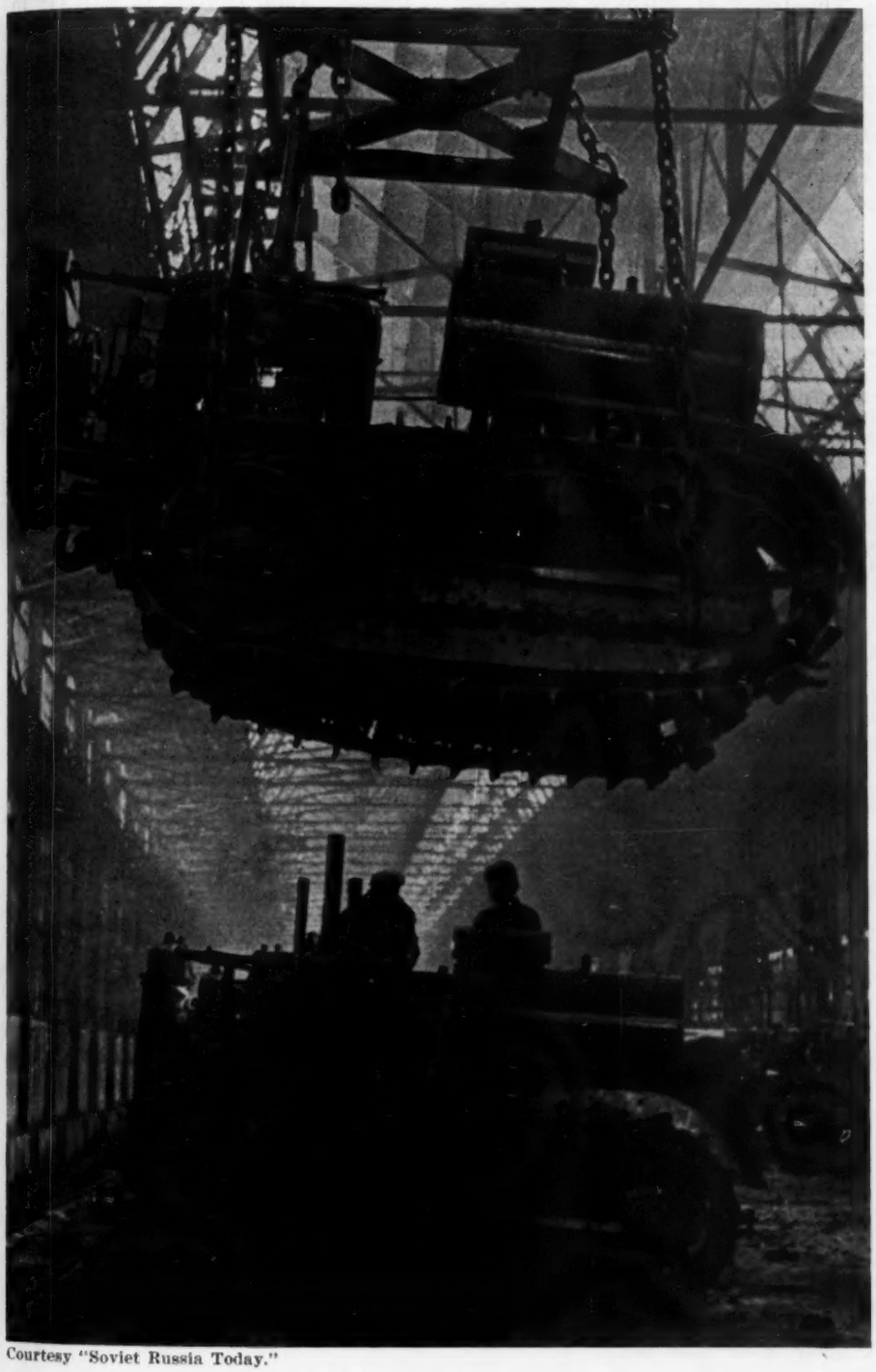
[1] This survey of the Ural industrial district is based on Russian sources, both before and since the Revolution, describing the metal and mineral deposits and industries of the district. For the past 2 years (1940–41) very little exact information has been issued by the Soviet government, and the list of plants mentioned is therefore incomplete—much shorter than is indicated by the Soviet statement that "200 new plants were built in the Urals between 1930 and 1940." It is also impossible even to approximate the changes and increases in the industrial production of the district that have taken place as the result of war and the transfer of whole plants from the western districts to the Urals. It is believed, however, that this survey will supply basic information, so far as it can be obtained at present, on the industrial development of the Urals, and will indicate the lines along which that development will continue when normal conditions are restored.

utilizing first serf and later convict labor; and a few of the larger deposits were actively exploited by large stock companies, with a predominance of foreign capital and management.

Geological prospecting was continually carried on by the Government, and new deposits of value were constantly being discovered. But industry was widely scattered, and most of the mines and factories were small; only a few towns, such as Orenburg (now Chkalov), (94,000), Ufa (103,000), Zlatoust (34,000), Yekaterinburg (now Sverdlovsk), (75,000), and Cheliabinsk (70,000) were of any size, and none was an important industrial center.

The districts to the west, along the Volga Valley, and to the east, in Asiatic Russia, were entirely agricultural, devoted to raising grain and growing livestock, and contained practically no industry.

During the 25 years that have passed since 1917, the picture has undergone great changes. When the first Soviet Five-Year Plan was adopted, in 1928, after the reconstruction of industries in European U. S. S. R., the Ural Mountains were scheduled for intensive development—both because of their natural riches, and because of their inaccessibility to attack from the western frontier of the U. S. S. R., from which direction an attack by some foreign nation was expected. In this first Plan a number of new plants were projected for the Urals, to be built by foreign capital under concessions. In later Plans other plants and even industrial cities were visualized, but no foreign participation was sought. In fact, no concession for building or management was ever granted in this district after 1928, and the two small concessions operating there then were soon abrogated.



Courtesy "Soviet Russia Today."

Thousands of the Soviets' tractors have come from Cheliabinsk.

Enormous "Complex" of Coordinated Modern Plants

The Ural industrial district may now be described as an enormous complex of related and coordinated modern industrial plants, employing hundreds of thousands of workers, engaged in extracting a long list of metals and minerals, in refining and concentrating these, and shipping them to plants in other sections of the U. S. S. R., or further processing and manufacturing them in the Ural zone.

That zone now extends from the potash beds of Solikamsk in the north to the blast furnaces of Magnitogorsk and the oil refineries of Orsk in the south. On the west the district stretches to the new oil fields on the Kama River, and to Stalingrad on the Volga; eastward it includes a number of new towns built around mineral deposits, and, as part of the Ural-Kuznetsk combine, stretches 1,500 miles to the iron and steel center of Stalinsk.

The Ural district is no longer a patchy series of small, unrelated industrial units; rather it is an extensive development of the riches of the area, in large, modern mines and plants in close proximity, interconnected by new railroads, with more lines building, and amply provided with electric power from new, efficient stations.

Administratively, the Ural industrial district, part of the Russian Soviet Federated Socialist Republic, may be said to include the Molotov, Sverdlovsk, Cheliabinsk, and Chkalov oblasts, and the Udmurt and Bashkir Autonomous Republics. As pointed out above, however, it has close ties with industry east and south, and also with the northern oil and coal field at Pechora. Soviet authorities chart the district as covering 329,000 square miles.

The Ural mountain range varies in width from 31 to 93 miles. The mountains are low, the highest, in the northern part of the range, being about 6,000 feet; few peaks reach over 2,000 feet, and the extensive foothills are much lower. Geologically, these hills consist of palaeozoic slate and limestone, with a central zone of crystalline slate and granite. The structures are very old, much folded, and the surface strata are deeply eroded.

Chief Cities of Ural District

As mentioned above, the chief cities in the Ural district 25 years ago were small,

and were not prominent as industrial centers. All the cities listed, however, have since expanded greatly, and a number of new ones have been added. The list given below shows the population of each in 1926 and 1939, according to official Soviet census sources (old names in brackets):

City	Population	
	Dec. 17, 1926	Jan. 17, 1939
Stalingrad (new)	151,490	445,476
Sverdlovsk (Yekaterinburg)	140,300	425,544
Cheliabinsk	59,307	273,127
Molotov (Perm)	119,776	255,196
Ufa	98,537	245,863
Izhevsk	63,211	175,740
Chkalov (Orenburg)	123,283	172,925
Nizhni Tagil	38,820	159,864
Magnitogorsk (new)		145,870
Zlatoust	48,219	99,272
Tiumen	50,340	75,537
Uralsk	36,352	66,201
Orsk	13,581	65,799
Nadezhdinsk	33,345	64,719
Berezniki (Usolye)	16,138	63,575
Kamensk-Uralski	5,367	50,897

In addition to the large cities and towns listed, there are a number of smaller towns, newly built or expanded from villages or mining settlements, which are important in the new industrial map of the Ural district. Among these are: Solikamsk, Chusovaya, Krasnouralsk, Asbest, Ufalei, Kyshtym, and many others. These will be described later, in the consideration of natural resources and their development.

Careful City Planning From Steppe to Modern Town

The new Soviet cities that have grown up in the U. S. S. R. during the years since 1917 are in most cases built in accordance with definite city plans, drawn up with ample provision for expansion. The industrial plants, old or new, form the focus of interest, but cultural and social facilities are also planned for, while housing and transport are treated as vital preliminary adjuncts to the plant and are often completed or well under way before a plant starts operation. If old buildings are still intact, they are utilized in the new plan. Schools, theaters, municipal buildings, utilities based on local fuel or natural gas production, water supply and sewage systems—these are also included.

The haste demanded in some early cases of city building, where housing for construction and plant workers lagged behind plant construction, caused many difficulties and temporary discomforts. It is claimed, however, that cities built in recent years have been more carefully plotted in advance, and the various stages from steppe or old settlement to finished modern town are executed expeditiously and with due consideration for human needs and requirements.

Construction or expansion of towns is still going on in the Urals, in accordance with the projects in the third Five-Year Plan, but at a rate accelerated by the demands of war, and exaggerated by the necessity for seeking in the Ural district replacement of production facilities lost by reason of the "temporary occupation" by the Germans of the Donets Basin in the Ukraine and of other western industrial centers.

Manifold Natural Resources

In the years before the Revolution, the Urals were known chiefly for their deposits of iron, gold, platinum, copper, salt, asbestos, and semiprecious stones such as malachite, lapis lazuli, and rock crystal. Many other metals and minerals were known to exist here, but few were mined or utilized.

The policy of intensive exploration adopted early by the Soviet Government, and applied with special intensiveness in the Ural district, has been responsible for a tremendous expansion of mining and processing in this district, and for the erection of many new large smelters and manufacturing units. These will be considered in the paragraphs that follow.

Iron Ore, Iron and Steel

The largest iron-ore beds of the Urals are located at Mount Vysokaya and Mount Blagodat near Tagil, Mount Bakal near Zlatoust, and Mount Magnitnaya in the south. Except for the last deposit, the iron ore is very pure; Magnitnaya ore, while the largest in quantity, has an excess of sulphur. Other deposits now utilized are at or near Nadezhdinsk, Perm, Alapayev, Beloretsk, and Kizel. Of a total of iron ore mined in the U. S. S. R. in 1935 of 26,845,000 metric tons, the Urals produced 7,821,000 tons, or nearly 30 percent. Ural ore is famous for its high content of pure iron; for many years it has been preferred in Russia and abroad for materials and structures exposed to weather, because of its nonrusting qualities.

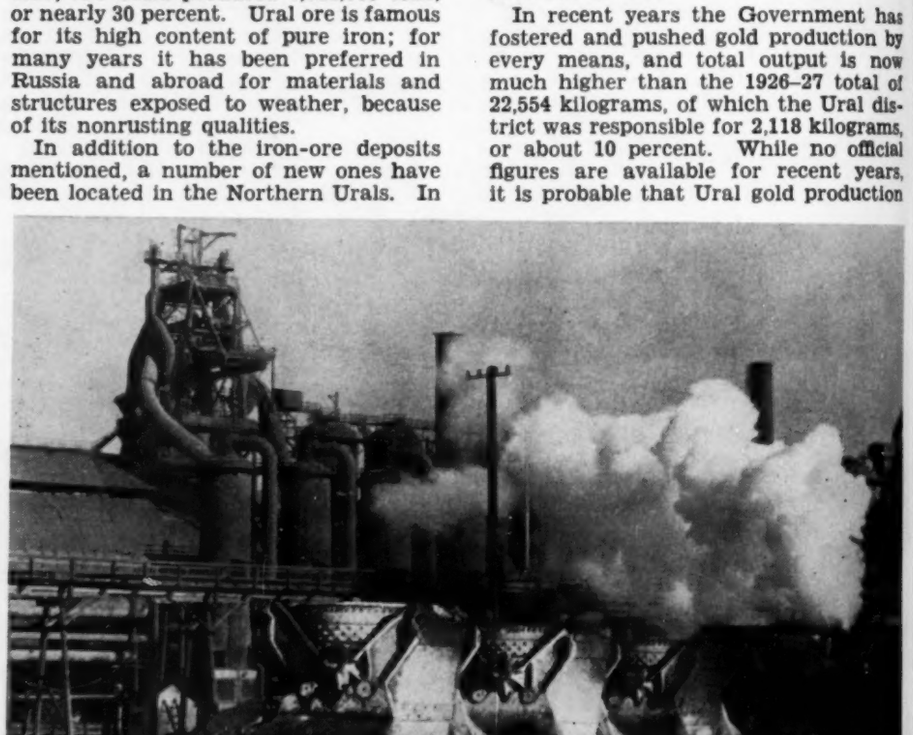
In addition to the iron-ore deposits mentioned, a number of new ones have been located in the Northern Urals. In 1939 new reserves were reported in the Serov and Ivdel raions estimated at 100,000,000 metric tons; others are at Auerbakh (magnetic) and Vorontsov (red oxides). Numerous deposits of brown ores are known also.

Ore from Ural mines is smelted and fabricated in large plants in the district, all built since 1918. At that time smelting had been carried on for nearly 200 years, but the methods previously used were primitive, the furnaces small, and the fuel was locally burned charcoal. Present plants are large, use local or imported coal, and are modern in every respect. Total reserves of iron ore in the Urals are estimated at 1,391,000,000 metric tons.

Fostering Gold Production

Gold deposits in the Urals are both placer and reef—the former predominating in the northern sections, the latter in the southern. The location of the main deposits may be fixed in a general way from the names of the mining districts listed in 1926–27: Tagil, Eastern and Western Sverdlovsk, Troitsk, Zlatoust-Cheliabinsk, and Bashkiria. While the bulk of the gold is produced by Government dredging or mining trusts, a considerable quantity is brought in by individual prospectors or "artels" (groups), who are grub-staked by the Government and sometimes provided with machinery to develop promising deposits; for these workers specially favorable wage and taxation conditions are provided by law.

In recent years the Government has fostered and pushed gold production by every means, and total output is now much higher than the 1926–27 total of 22,554 kilograms, of which the Ural district was responsible for 2,118 kilograms, or about 10 percent. While no official figures are available for recent years, it is probable that Ural gold production



Courtesy "Soviet Russia Today."

One of Europe's biggest: Magnitogorsk Metal Works.

has not dropped actually, though its share in the total Soviet gold output is undoubtedly less, because of the rapid expansion of placer production in the Lena, Aldan, Kolyma, and other fields.

Platinum Deposits Called Earth's Richest

The Ural platinum deposits, called by the Russians the richest in the world, are credited by them with having produced, from the beginning of their working to 1927, about 325,000 kilograms of metal. Deposits are both placer and reef, the former in degraded strata of the same rocks which are also mined. The righest placer deposits are near Nizhni-Tagil, Isovski, Kytlymo-Kosvin; they are being worked by new electric dredges operating in the mountain rivers running both east and west from the divide of the Ural range. Gold, and platinum and its kindred metals (iridium, palladium) are often found together. No production figures for recent years have been released by the Government, but press reports indicate that the working of deposits has been maintained at a high rate.

Urals Lead in Soviet Copper Production

The Ural district has been a leader in Russian copper production both before and since the Revolution. In 1913 the Urals and Bashkiria produced 650,000 metric tons of ore, of a total for the country of 881,000 tons. In 1934, however, after intensive exploration had disclosed rich deposits in other districts, the importance of the Urals for the future diminished, although the smelters there continued to turn out the bulk of the metal produced; with reserves of ore only 24 percent of explored total reserves, 86 percent of all Soviet copper came from Ural smelters. Since that date, however, several new, large smelters, particularly that at Balkhash in Kazakhstan, have come into production, reducing the Ural's share in the metal output.

The chief copper-ore deposits in the Urals are at the following places: Degtiarka, Tanalyk-Baimak, Bliava, near Krasnouralsk, near Karabash, and near Kirovgrad. The ores are chiefly pyritic, and the average copper content is low, 2.83 percent; selection and concentration of the ores are required. Deposits stretch over a total length of 300 kilometers, but lie in "lenses" rarely over a few hundred meters long; workings run to depths of 400 to 600 meters. Recent investigations have disclosed a number of new deposits, and deeper drilling of the old has produced favorable results.

Salt Plays Its Part

Before the Revolution, salt produced in the Ural district was important in the Russian output, amounting to 445,000 metric tons, of a total from all sources of 2,238,000 tons; in 1926–27 it had dropped to 340,000 tons of a total of 2,426,000 tons. But the working of the old mine at Usolye, now part of the town of Berezniki, and of another at Solikamsk, has continued and increased, as part of the industrial development of the northern Urals; another mine, in the Chkalov oblast, increased its output from 43,000 tons in 1913 to 82,000 tons in 1926–27. This and other sodium salts provide raw materials for a new chemical industry at Berezniki.

All Soviet Asbestos Comes From Urals

Russia before the Revolution was the second largest producer in the world of asbestos, with 25,000 metric tons in 1913, next only to Canada, which produced 124,000 tons. By 1927, however, it had been passed by South Rhodesia and equaled by the Union of South Africa. In quality Russian asbestos runs to lower grades: in 1926–27 more than 41 percent of the total of 21,058 tons reported was of the two lowest grades, and only 30 percent of the three highest.

Practically all asbestos is produced in the Ural district, where both mines and mills are located. The largest deposits are near Sverdlovsk and Krasnouralsk; another promising deposit lies near Molotov (Perm). In the past 25 years development of mines and expansion of production have progressed rapidly: output of all grades in 1935 reached 95,500 metric tons. Most of the product mined is low-grade, suitable only for cement, tiles, roofing, and other building materials; in 1938 some 86,000 tons were used for these purposes. Until recent years, considerable quantities of Ural asbestos were exported, but for the past 3 years domestic requirements have absorbed practically all production.

Under the third Five-Year-Plan, the expansion of the asbestos mine at Bazhenovo to a capacity of 220,000 tons of selected fiber, excluding waste and powder, was contemplated. Reserves here are estimated at 18,000,000 tons of fiber. With improvements scheduled in intraplant transport and concentration, it was expected to reach the output planned by 1942.

In addition to the metals and minerals considered above, exploration of the resources of the Ural district has disclosed many deposits of industrial importance, most of which are now being exploited. Worthy of description in some detail are the following: Coal, potassium salts, chromites, nickel, bauxites, and, latest and most promising of all, petroleum.

Coal Resources Developed, Utilized to Advantage

One reason for the slow development of iron and steel smelting in the Urals before the Revolution was the lack of local coal resources; output was limited to iron smelted with charcoal burned in the mountain forests. With the opening of the coal resources of the Kuznetsk mines, coal was hauled westward in sufficient quantities to justify the erection of blast furnaces; the later connection by railroad of the Karaganda mines with the Ural rail network supplied a further stimulus to ferrous metallurgy in the district. Finally, the exploitation of the only considerable coal deposit in the Urals, at Kizel in the northern section of the Sverdlovsk oblast, and the success in producing metallurgical coke by mixing Kizel and Karaganda coals, have solved the fuel problem for the northern and central Ural foundries and steel mills. The largest of all, Magnitogorsk in the south, draws on Karaganda and Kuznetsk coal.

The Kizel mine is now connected by electric railway through the mountains with Chusovaya, a rail junction on the river of the same name, which is one of the main water highways of the northern Urals. Output of this mine has been increased from 1,100,000 metric tons in 1927–28 to 3,600,000 tons in 1936, and over 8,000,000 tons in 1938. New vertical, mechanized shafts supplement the older horizontal drifts, increasing the output per worker and reducing the cost of mining.

A very recent report from Moscow describes the latest geological work in the Bashkir Republic, on the eastern slope of the Urals. Here "brown coal (lignite) deposits so huge as to warrant the development of large-scale industry" have been located.

Chromite Deposits Important

Most of the chromite deposits discovered in the Soviet Union are in the Urals—and all the large ones possible of industrial development. Production in 1926–27 of chromite ore was 19,294 metric tons in the Urals; by 1935 total Union output had risen to 177,900 tons of ore, counting small new production in Kazakhstan. The leading Ural mines are at Kartaly and Bredy; near the latter there are large reserves discovered in 1934 which may well be under exploitation now.

The first discovered and utilized of the Ural chromite deposits is in the Sverdlovsk okrug, where a small concentration plant was built in 1914, which was still the only one in 1926–27. The crude graded ore is used by some metallurgical plants, while the concentrate, running 42–48 percent chrome oxide, is used principally at the Shaitan plant. Another deposit at Monetnaya shows reserves of 4,626 metric tons of chromite, at a depth at two drills of 22.8 meters and 35.18 meters, with veins 2.77 meters and 5.5 meters in width. A third deposit, the Kliuchevski group of drills, shows ore at 28.08 meters, with a vein 4 meters wide.

The largest deposit in the Urals is the Saranov, in the Perm (Northern Urals) okrug. The total reserves here were calculated in 1926 at 1,457,000 metric tons; it was believed that this estimate would be greatly increased by further exploration.

Three new deposits were located by 1926 in the Southern Urals, near Magnitnaya, with reserves of about 15,000 tons. In addition to the Ural deposits, investigation in the Bashkir A. S. S. R. showed in 1926 a deposit of high-grade

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chromite ore near Beloretsk, and another in the Khalilovo raion. Total reserves in the Urals in that year were estimated at 6,000,000 metric tons.

No information on chromite production is available since 1935, and figures for exports ceased to appear in 1936, indicating that all Soviet output was consumed by domestic mills in the Urals and elsewhere. A British unofficial estimate places 1940 production at 400,000 tons of 48 percent ore—some 200,000 tons of metal—but no Soviet authority for this is available.

Manganese Ore

In 1913, of 1,416,000 metric tons of ore produced, 1,194,000 tons were sold abroad. Of the total, the small Ural mines were responsible for only 3,576 tons. Ural ore output has continued small in proportion up to the present. But systematic exploration of the Urals since 1928 has demonstrated that there are ample reserves of manganese ore in the Ural district, particularly Bashkiria, to supply not only the needs of Ural furnaces, but also those of the Kuznetsk steel smelters, as soon as mining and transport facilities become available.

The first deposit recorded was at Marsiatsk, near Nadezhdinsk, but this was temporarily abandoned before 1939, and ores from Chiaturi and Nikopol were used. At that time, however, near Nadezhdinsk another deposit was uncovered, estimated to contain 50,000,000 tons of high-grade ore, which could be mined at 15 rubles a ton. A second was located in 1934 at Faisuli, running 56 percent and over in manganese oxide content; a third 9 kilometers from Baimak in Bashkiria is even richer, and has been exploited to some extent. The truck route to Magnitogorsk is 130 kilometers in length. The latest manganese deposits found, at Kvarkensk near the Orsk-Khalilovo industrial center, show surface deposits covering an area of 8 square kilometers, of 40 to 80 percent ores. Recent reports describe new beds discovered at Baimak and Asilov, of the same rich ores previously found here.

No late information is available as to the present degree of utilization of Ural manganese ores. But it may be expected that as truck roads and railroads are built connecting these deposits with the steel towns, the plants there will save the long haul now necessary for manganese ores from Chiaturi and Nikopol, and the cost of the steels produced will be correspondingly reduced. Under pressure of war requirements and transport difficulties, this process of development is reported to be proceeding actively at the present time.

In 1939 a process was invented whereby the high phosphorus content of Ural manganese ores, heretofore a serious obstacle, could be eliminated and the ores at the same time concentrated, with simultaneous recovery of the small amounts of nickel and cobalt contained in these ores. If successful, this process would overcome the chief difficulties hitherto encountered in utilizing the manganese deposits in the Ural district.

Nickel Output Expanded

While low-grade nickel deposits have been known in Russia for about 100 years, recovery of metal was costly, and importation of cheaper metal was resorted to. During the first World War the old mines were reopened, and since the Revolution these have been expanded, and several new deposits found and worked.

In the Ural district is the oldest mine, at Ufalei, and one of the newer ones in the Orsk-Khalilovo industrial zone. At or near Ufalei there are four deposits of oxide ores, and two others at Rezha are also being worked. The mines at Khalilovo and Akkerman are the leading ones in the south, and other deposits stretch southwest to Aktiubinsk, the mineralized areas covering about 1,000 square kilometers. Although the ores run, on an average, only 1.5 percent nickel, the total reserves are estimated to equal in quantity those in New Caledonia.

The first modern nickel smelter in the U. S. S. R. was built at Ufalei in the early 1930's, the first unit being put in operation in 1934. The ore here contained 3 percent metal at most, requiring elaborate installations to handle and treat large quantities of rock. The capacity of this smelter was projected at 3,000 metric tons of metal annually. First smeltings produced high-grade metal, equal in toughness and quality to imported grades. New machinery was added in 1935, to increase output, though this had not yet reached capacity. Later, in 1936, a concentration plant was built at Rezha, to prepare ores mined there for smelting at Ufalei.

In the same year construction was begun of a nickel smelter at Orsek, to handle the southern Ural ores. This plant started operations in 1939, producing not only nickel, but also cobalt from the ores mined here. With other metals in this section, nickel alloy steels can be produced.

No statistics of nickel output have been published by the Soviet Government, but estimates place it at a maximum of 2,500 tons in 1939 or 1940. The bulk of this production may be assigned to Ufalei and Orsk, though other refineries at Monchegorsk and Norilsk may be in production by now.

Bauxites and Aluminum

The bauxite deposits in the northern Urals, while not the first utilized in the U. S. S. R., are larger and higher in grade than those at Tikhvin, and were discovered and mapped in the early 1930's. Those known in 1939 may be listed as follows:

Location	Total reserves	Explored reserves
	Metric tons	*Metric tons*
Krasnaya Shapochka, near Nadezhdinsk	9,200,000	5,000,000
Sokolovskoye, near Kamensk	2,500,000	(1)
Alapayevsk	(1)	(1)

[1] Figures not available.

Of the above, the first is of the highest quality, averaging 56.2 percent alumina: others are of lower grade.

In addition large reserves have been located in Bashkiria, in the Maloyasensk raion: these were estimated in 1937 at 6,000,000 tons, but were expected to run to double that amount.

Dependent entirely up to 1931 on imported aluminum, the U. S. S. R. produced in 1932 some 400 tons of metal from its own ores, increasing the quantity steadily to an estimated 37,000 tons in 1936, and 73,000 tons in 1940. It is impossible to calculate the proportion contributed by the two Ural plants projected in the past 10 years—one at Kamensk, which turned out its first metal in September 1939; its prospective capacity, perhaps already reached, was 25,000 to 30,000 tons a year. The second, at Perm, was planned to be ready for operation simultaneously with the large Kama electric station, a unit of the Volga development project; it is not known what stage this plant has reached. Planned capacity of this plant is 35,000 tons of metal annually.

Ural Oil Fields Greater Than Famed Baku?

Petroleum was not known to exist in the Ural district until 1929, when drillers prospecting for potash at Verkhne-Chusovsk, between Perm and Nizhni-Tagil, tapped deep oil-bearing strata. This discovery, while not in itself of great promise, stimulated further prospecting, which is still under way; and almost every year since has brought the uncovering of new reserves and the location of new fields. The Ural oil fields are now described as "A Second Baku," greater in extent and possibly in total reserves than the famous fields of the southern Caucasus.

The next field plotted and developed was at Sterlitamak, south of Ufa, with comparatively shallow oil beds extending over a considerable area. In 1934 the reserves here were estimated at 75,000,000 metric tons. In the latter year oil was also struck along the Kama River, at Krasnokamsk and other points. In the same year Ishimbayevo, south of Sterlitamak, which is rated as one of the most promising new fields, began producing on a large scale, which reached nearly 2,000,000 tons in 1939.

The latest oil map of the U. S. S. R. shows wells also at Kuibyshev, Buguruslan, Stavropol, Tuimaza, Polaznensk, and Terengul. Two fields have also been brought in near Aktiubinsk, southwest of Orsk, but no information on them is available.

Oil Reserves "Only Scratched" Thus Far

The output of the "Second Baku" fields as a whole was expected to increase by the end of 1942 to 11,772,000 metric tons, with corresponding increases in refining and cracking facilities in the new installations at Orsk, Ufa, and Saratov.

Of interest is a table showing estimated oil reserves in the Ural and Bashkir fields as of January 1, 1937, the latest official figures published:

[Million metric tons]

Fields	A+B [1]	Total reserves [2]
Bashkiria	19.2	365.2
Perm, South Ural, Kama	7.7	354.0
Orenburg-Aktiubinsk		102.1

[1] Mapped for commercial exploitation.
[2] Geological estimates.

On the same date, total reserves in the U. S. S. R. were estimated at 6,376,300,000 tons.

Production figures for the Bashkir fields were given as 406,000 tons in 1935, and 968,000 tons in 1936; for the Kama field, 8,000 and 9,000 tons, respectively. No reliable data have been issued since the latter date.

It is emphasized by Soviet geologists that the reserves of the Ural district oil reservoir have so far only been scratched, and that it may be expected that further exploration will show almost continuous petroleum deposits from Emba on the Caspian Sea to the coal and oil field at Ukhta (or Chibiu) just south of the Arctic Circle. In this hope each year sees many parties drilling for oil in both the North and South Urals.

Vast Potash Deposits, "Largest in World"

The vast potash deposits in the Northern Urals, while possibly suspected earlier, were first investigated in detail in 1926–27, when borings in the Solikamsk and Berezniki raions disclosed the presence of extensive beds of carnallite and sylvinite, at depths of 300 to 400 meters. Further exploration since has disclosed much greater reserves than first estimated, and the latest official estimate places the reserves at 18,400,000,000 metric tons of potassium oxide. Some of the deposits run 92 to 98 percent K_2O, and the whole field, not yet completely delimited, is already described as the largest known potash region in the world.

The first mine at Solikamsk, built with the aid of German engineers, was put into operation in 1933, with a projected capacity of 1,500,000 tons of ore a year, a figure already reached by November 1934. Construction of a second mine of the same capacity was started at the latter time, which began operation between 1935 and 1937; this was located near Berezniki, 30 kilometers from Solikamsk.

Sylvinite forms the chief raw material for potash fertilizers. Carnallite, besides potassium oxide, yields chlorides of magnesium and potassium. The Solikamsk deposits have changed the position of the U. S. S. R. from that of a potash-importing country to that of a source of exports to other countries: shipments of potash salts in 1936 (latest figures available) totaled 34,000 tons.

Numerous Other Valuable Metals and Minerals

While the above list does not by any means exhaust the list of the valuable metals and minerals that have been found in the Ural industrial district, it does include all those now being developed on an industrial scale. Others that may be mentioned in passing are: precious stones, including diamonds and emeralds; semiprecious stones, such as topaz, amethyst, malachite, lapis lazuli, turquoise, and many others; building stones of many kinds; industrial minerals, including graphite, fire clay, limestone, dolomite, magnesite; and low-grade fuels, such as lignite, peat, and oil-shales.

Mining and cutting of the precious and semiprecious Ural stones is an old undertaking, but is handled principally by individual artisans or "artels." The industrial and building materials are constantly drawn upon for construction and operation of the new plants built and building in the Ural district.

The fuels, while not yet utilized, are included in the Federal Soviet program for the increase of the production of local coal, shales, and peat for local use—a long-range plan intended not only to develop such resources, but also to reduce the long rail hauls now prevalent for bulk commodities. Cheliabinsk is reported to be working a lignite mine nearby, to supply its electric station. Shale reserves west or east of the Ural range were estimated in 1940 to contain some 10,000,000,000 tons, of which one-third have been mapped preparatory to exploitation. Other deposits within close range of the Ural district hold an estimated 1,000,000,000 tons. In similar proximity lie peat-beds estimated in 1938 to contain more than 100,000,000 tons, and since then new beds have been located along the Volga River.

Power Facilities

When in the early 1930's the Soviet Government decided to accelerate the development of the industries of the Urals, it was obvious that one of the important requirements for such development would be an abundance of power. Under the GOELRO (Commission for Elaborating the Plan for the Governmental Electrification of Russia) scheme of 1920, which was the first plan for industry in the U. S. S. R., a number of large central power stations were assigned to the Urals, together with a few smaller stations for the needs of individual raions. As construction of new and expansion of old plants have continued since 1920, this original plan has continued to form the basis of electric station construction, although some modifications have been introduced in it.

By January 1, 1936, the aggregate capacity of the Ural stations had reached 518,000 kilowatts, and growth has continued since. There are now seven of these large regional stations, all but two using local coal as fuel; the one hydroelectric plant projected on the Chusovoya River has not been built. The following are the locations and capacities of these seven chief power stations:

Location	Capacity	Fuel used
	Kilowatts	
Sverdlovsk	(1)	Peat.
Tagil	(1)	Kizel coal.
Magnitogorsk	248,000	Karaganda coal.
Berezniki	93–105,000	Kizel coal.
Perm	(1)	Peat.
Cheliabinsk	150,000	Cheliabinsk coal (lignite).
Zlatoust	(1)	Kizel coal (?).

[1] Figures not available.

The total output of current of all seven stations in 1939 is reported at 4,000,000,000 kilowatt-hours, against 1,850,000,000 kilowatt-hours in 1935. All these large units are interconnected to form the Ural high-tension network.

In addition, a new station in the Orsk-Khalilovo region is being or has been constructed, to use coal from the Poltava-Bredinsk and Dombarovo mines. In connection with the development of the Volga hydroelectric project, a new

(Continued on p. 38)

Courtesy "Soviet Russia Today."

Half a million people live in Dverdlovsk. Vista of the main thoroughfare.

Subsidies in the C

In view of the imposition of general price control in the United States, and the variety of problems which this control will raise for all concerned with the production and distribution of goods and services, it is considered worthwhile to reproduce here a considerable portion of the recent statement of the Canadian Finance Minister to the House of Commons on the matter of subsidy payments under the Dominion's price-control plan. The general similarity of the United States price control to that imposed by Canada last December 1 gives the Minister's remarks a peculiar interest. For reasons of space it has been necessary to omit portions of the statement at points marked by dots (. . .). The full text can be found, however, in the House of Commons (of Canada) Debates for April 23, 1942.

"This afternoon I should like to make a statement on the question of subsidies that are being paid in the application of the price-ceiling policy. . . . There have been a number of questions asked about these subsidies and some concern expressed about them, both in this House and outside. . . . I would like to tell the house as clearly as possible what is being done and why, so that there will be no misunderstanding and so that any comments and criticisms can be both specific and constructive. It is, I believe, the duty of members to understand this policy, which involves substantial expenditures for an essential purpose. . . .

"The payment of subsidies is an integral part of the general policy of price and income stabilization. . . . From the beginning of our price-stabilization policy it has been foreseen and understood that some unusual methods, such as subsidies, or their equivalent, would be necessary to meet a number of the special problems that would arise in carrying out the price-ceiling policy. . . .

Costs Cannot Be Completely Controlled

"The necessity for subsidies or their equivalent arises from the fact that the costs of providing goods or services to the Canadian consumer cannot be completely controlled or from the fact that in some cases these costs were actually higher at the time the ceiling was imposed than the level of costs that was then being reflected in the prices charged.

"We can control and hold down most of the costs which enter into prices of Canadian goods and services, but we cannot control them all. Insofar as these costs rise beyond the amount which the industry can absorb with fixed prices, we must either do without these goods, or raise the ceiling on their prices, or else pay subsidies or take some equivalent action to meet the rising costs without increasing prices. We have been firmly resolved not to permit the ceiling on retail prices to be increased in order to meet these increased costs. We are prepared to permit some nonessential supplies to disappear from the Canadian market rather than permit either their prices to be increased above the ceiling or to subsidize what are really nonessentials.

"However, there are a number of essential commodities the costs of which have risen beyond the amount which the industry can absorb at fixed prices, and the supplies of which must be maintained in the Canadian market as far as possible, and in these cases we have undertaken to pay a subsidy or else to make bulk purchases of them for Government account and resell them to Canadian dealers or manufacturers at prices that will enable them to be sold to the public at the ceiling price. * * *

Imports More Expensive

"I would like to call the attention of the house to the fact that, since the base period used for price-control purposes, the war has spread over all the oceans of the world and has caused enormous changes in shipping and in sources of supply. The Canadian consumer has been protected by the price ceiling against any effects of this spread of the war on his cost of living. Without the price ceiling we should all have suffered higher costs of living because of the fall of Singapore and the German submarine offensive off the Atlantic coast. As it is, our prices are not reflecting these very serious developments, but somewhere the cost must be borne, and in part at least it is being borne in the subsidies we are having to pay on imports in order to make supplies available to Canadians at ceiling prices. The disasters in the Far East and the greatly increased scarcity of shipping have also shut off a number of our usual sources of supply and made us dependent upon more expensive sources. Consequently we have had to pay higher prices to obtain things from near at hand or from secondary sources of supply than the prices we were paying at the time the price ceiling was established, when we could buy in much cheaper markets.

"As a consequence of all these factors, we have had to undertake to pay subsidies on imports, or in a few cases to buy imports by means of Government agencies and resell them to Canadian producers or dealers. This import policy was announced at the time the price ceiling went into effect. I shall give some details of this policy in a few moments, but I wish to say something first about subsidies on commodities produced at home.

The Squeeze in Domestically Produced Goods

"Here,[1] the principal in costs which have given rise to the necessity for subsidies are those which originate in the difference in time at which things are produced and at which they are sold. The goods that were being sold during the base period from September 15 to October 11 were produced during an earlier period. Sometimes it was much earlier; sometimes it was only a few weeks previously. During the period between the time the goods were produced and when they were sold, costs had in many cases already risen, but retailers and other dealers had not increased their prices to reflect the increased costs of producers and manufacturers. In other words, they were not taking an abnormal profit on their inventory. However, when the dealers and retailers had sold the goods which they had bought at the lower prices before the base period, they had to replace them with goods purchased at higher prices, and yet they could not sell these goods at more than the ceiling price, which was the price they had been selling at during the base period. This naturally reduced the margin between their buying and selling prices, which is the source of their revenue from which they meet their expenses and derive their incomes. It was this rise of costs in relation to selling prices which produced what has come to be called the 'squeeze' . . . and which has caused many of the most difficult problems that the Wartime Prices and Trade Board has had to face. . . .

"The Board has managed to arrange that manufacturers and dealers would share this 'squeeze,' so that it would not all be thrown upon the unfortunate retailers or other dealers. This is what has been called 'rolling back the squeeze.' In some cases, however the producers and dealers together could not absorb all the increase in costs that had occurred since the time that the goods had been produced which were being sold in the base period. In such cases where supplies are assumed sufficiently important, the Government has undertaken to absorb a portion of the 'squeeze' by means of a subsidy, pending the working out of methods to reduce costs by every possible means.

Need for Heavier Exports Also Enters the Price Picture

"In a few cases an increased price to producers has been necessary in order to obtain the volume of supplies required of

[1] That is, in Canada.

Canadian Price Control

some real essentials, such as milk, for example, where circumstances have been such that an increase in the supply, or even the maintenance of supplies, was difficult without some special action. In some of these cases—almost all of them agricultural products—the Government has undertaken to meet this increase in costs, or at least a portion of it, until a better permanent arrangement to guarantee a satisfactory volume of supplies could be worked out. . . .

"The general policy with regard to the payment of subsidies has been determined by the Government on the advice of the Board[2] in the light of the reasons which I have just given you. The decisions of principle needed to apply this policy are made by the Board, subject to my approval—for example, decisions as to whether or not a particular commodity should be subsidized and by what general method, and also decisions as to whether the agents of the Board should make bulk purchases for the Government's account. When these decisions of principle have been reached, the details of each particular case are worked out by the particular administrators of the Board concerned with these commodities or trades, in conjunction with the Commodity Prices Stabilization Corporation. . . . The corporation and its importing agents also make bulk purchases of certain commodities when directed to do so by the Board. For example, they have recently arranged the purchase of our entire import requirements of raisins and other dried vine fruits from Australia.

"There are very substantial advantages, particularly under present emergency circumstances, in making such bulk purchases for Government account, and for several reasons I think such methods are preferable to simple subsidies, although it should be remembered that they may involve the Government in some trading loss in order to permit the commodities so purchased to be sold to Canadian consumers at ceiling prices. . . .

"The main subsidies being paid are those on imported goods.[3] . . . These are being paid in accordance with the principles laid down in the statement of import policy dated January 1, 1942, which was issued as an extra of the Canada Gazette of date December 29 last.[4] . . . It was stated that subsidies would be paid only on imports of consumers' goods and materials to produce consumers' goods. They are not paid on capital equipment, nor on goods for reexport, nor on goods imported for war production which, of course, the Government would purchase ultimately. Nor are they paid on goods imported directly by consumers themselves, or on goods imported prior to December 1, 1941, or where the increase in cost is trifling, or on goods the production of which is prohibited in Canada, or, finally, on any goods to which the price ceiling does not apply. Most important of all, perhaps, from our point of view, a long list of various classes of goods regarded as nonessential was given on which subsidies would not be paid. . . . This selection of nonessential goods has been based upon a careful study of our import trade and our tariff items. Quite possibly, it is not complete, and it is probable that as we go along we shall be increasingly stringent in classifying goods as nonessential and excluding them from subsidy.

"However strictly we draw the line of essentiality, there are bound to be some borderline cases—some items which will appear to some of us as essential and which will appear to others as nonessential. Some types of food, for example, will seem to many of us unnecessary at least in view of what we can substitute for them from our own supplies, while other persons in this country will regard them as valuable articles of diet which cannot be satisfactorily replaced.

"To decide whether such items should be included or excluded involves questions of judgment which we must decide as best we can and in the light of a developing supply situation. In making any decision of this kind we must take account not only of the character of the goods themselves and the possibility of substituting others for them, but also the possibility that by excluding them we may divert demand to other items, particularly domestic items, and thereby create serious shortages.

"We should remember that in those cases where prices have risen substantially when we classify an import item as ineligible for subsidy we are, in effect, placing an embargo upon its entry, and we must be prepared to deny ourselves entirely those supplies. Perhaps I should add that, in the case of minor items, it may be possible that traders will continue to import them, even at a loss, simply to maintain certain connections and to continue to supply the markets which have been supplied in the past, but we cannot expect this to happen in any important cases.

"In a number of cases it has been possible to avoid or substantially to reduce import subsidies by means of simpler action taken with regard to customs duties and other charges. For example, we have eliminated dumping duties at this time, since there is almost no danger of unfavorable effects of such action. It has also been provided that on the recommendation of the board in specific cases, invoice values may be accepted for customs purposes instead of home market values as are normally required. In other specific cases duties have been reduced or eliminated in order to enable goods to be imported at a cost that will make it possible to sell them at the ceiling price.

Domestic Subsidies: Most Important in Milk

"On other than imported goods, only a small number of subsidies are being paid, and most of them are not yet of significant proportions.[3] Much the most important of these domestic subsidies up to date has been that on milk. This is a temporary subsidy being paid at the rate of 40 cents per 100 pounds for milk used in the manufacture of concentrated milk products, and of 30 cents per 100 pounds on milk sold for fluid milk in all areas where no increase in milk prices took place between August 1, 1941, and the date of the price ceiling. . . . I have said that this subsidy is a temporary one; already it has been announced that it will be discontinued at the end of this month and a better arrangement of prices for milk products substituted for it, which will enable us to meet our domestic requirements for milk and its products and also the abnormal demand for exports of cheese and concentrated milk products to the United Kingdom. The details of this new scheme were made public this morning.[5]

Subsidy on Canned Goods

"Another domestic subsidy worth noting is that on the 1941 pack of domestic canned fruits and vegetables. The need for this subsidy arose from the fact that many retailers established their prices in the base period on the cost of these

[2] The Wartime Prices and Trade Board, which administers the price control.

[3] The Minister apparently refers here to the number rather than the size of the subsidies paid. Cf. the table hereafter which shows the bulk of payments up to April 21 in the domestic field.

[4] The details of the subsidy policy in relation to imports were covered in special articles in FOREIGN COMMERCE WEEKLY of December 13, 1941, and April 18, 1942. Cf. also the Canadian news section of this issue, giving the latest amendments to the list of imports eligible for subsidy.

[5] The official announcement by the Wartime Prices and Trade Board said, with respect to milk: "Milk subsidies, paid by the board since December 22 last, will be discontinued after April 30, and maximum retail prices for fluid milk are established for specified areas or zones. These involve some increases and some decreases." Apparently, the original basis of the price ceiling on milk has been modified.

canned goods in the spring and summer of 1941, while the canners, on the other hand, had increased their prices over these levels before the end of the base period, thereby establishing their selling prices f. o. b. cannery quite substantially above those which the retailers had paid. Consequently the retailers were unable to replace canned goods for sale at the retail ceiling prices. In order to enable them to sell at the retail ceiling, it was decided to reduce the cannery prices of these goods, and some of the wholesale prices corresponding to them, to the levels of the spring and early summer of 1941. The costs of these goods have already been incurred and cannot therefore be reduced.

"It has been necessary, as a consequence, to provide a subsidy to enable these goods to be sold at the lower prices necessary if they are to be moved through the retail channels. Canners are being compensated by 80 percent of the amount of the reduction in the selling prices that they have absorbed on their inventories, while the wholesalers whose prices are reduced are being compensated to the extent that the f. o. b. cannery price is reduced, but wholesalers are being required to bear the extra carrying charges and sales tax incurred on the higher prices and for which they cannot recoup themselves in their new wholesale prices.

Subsidy on Leather Footwear and Clothing

"Some subsidies are also being paid to permit the sale of leather footwear and of leather clothing at the retail ceiling prices. In the case of footwear, the problem arose from the fact that the goods sold during the base period were made back in the spring of 1941 and the cost of manufacturing such footwear increased by some 15 percent between that time and the base period. Somehow this increase in costs had to be borne without any increase in the retail price, if the principle of maintaining the ceiling was to be observed, as the Board felt it must be.

"After a thorough investigation of all the circumstances, it was decided that part of the increased costs, amounting to about 8 percent, would be shared equally by the manufacturer, on the one hand, and the wholesalers and retailers, on the other, and that the Government, through the Commodity Prices Stabilization Corporation, would pay a subsidy to manufacturers equal to 7 percent of the selling price of their shoes to enable them to sell at reduced prices. This subsidy was only to be paid pending the working out of measures to eliminate unnecessary costs.

"Advisory committees have been established by the industry to devise methods of simplification and cost reduction—mainly, I think, by the reduction of the numbers of styles of shoes. Extensive plans are being made to that end. It is the intention of the board to see that as soon as possible costs are reduced to the point where the subsidy can be discontinued.

"The case of leather for clothing is more complicated. . . . Again the problem arose from the substantial increase in the cost of production that took place between the time when the goods sold in the base period were manufactured and the time that they were sold, establishing the ceiling for the seller. It was arranged that tanners would reduce their prices of leather below those they received in the base period, thereby absorbing part of the squeeze, some of which, however, was to be borne by the wholesalers and retailers. A subsidy was provided for the tanners to enable them to sell at these specially reduced prices, the amount of the subsidy being related to the reduction in the particular prices concerned. The various branches of the industry involved are being asked to cut their costs as rapidly as they can, in order to make possible the reduction or elimination of the subsidy.

Subsidy to Groceries

"Announcement has recently been made of subsidies to be made available for about 40 grocery items specified in order 116 of the Board, dated March 23. The need for this subsidy arises out of the same sort of time lags that have been noted above in connection with leather items and the 1941 canned-food pack. The manufacturers' prices for these goods have increased in the months preceding the base period, and many retailers were selling at prices below those appropriate to the higher manufacturers' and wholesalers' prices prevailing in the base period, although some other retailers had increased their prices to correspond with this rise in wholesale prices.

"The Board and the administrators struggled with the problem created by this situation for months, endeavoring to find the most satisfactory solution to it, meantime imposing a very difficult burden upon many retailers. Finally the decision was reached that the only practicable method to solve the problem was to require the manufacturers to reduce their prices back to June 1941 levels, at which all or nearly all retailers can replace their goods at prices which enable them to sell at their ceiling prices.

"Those retailers whose base-period prices were based upon higher wholesale or manufacturers' prices than the new ones are required to reduce their retail prices by an amount corresponding to the reduction in manufacturers' prices. To enable manufacturers to sell at their lower June prices rather than at the later prices of the base period, despite the increase in costs which occurred in the interval, the Commodity Prices Stabilization Corporation is preparing to pay them a subsidy based upon and not exceeding the reduction in prices below those prevailing in the base period.

"In the case of these grocery items, where the number of producers and dealers will likely prove to be very large and where there will be a difficult problem in assessing how far the industries and trades concerned are in fact able to bear the increases in cost without help by way of subsidy, a special condition has been attached to the payment of subsidies to provide a sort of automatic check that will ensure that subsidies are not paid to businesses which do not in fact require them in order to sell at the designated prices. This provision is to the effect that the subsidy shall not increase the net profits of the business after taxes . . . beyond the level of net profits after taxes in the standard period as established for excess-profits-tax purposes.

"In order to carry out this provision, the Corporation will only pay such subsidies in the form of accountable advances and final settlement of the subsidy claim will be delayed until the claimant is able to furnish the necessary information respecting his profits in the fiscal period concerned. . . .

Subsidies Are "in the Interest of the Consumer"

"In the first place it should be realized clearly that the subsidies are being paid in the interest of the consumer. They are paid when there is no other way of insuring adequate supplies of a particular product for the consumer at prices permitted by the price ceiling. In principle, these subsidies are paid to the consumer to keep down the cost of living. In practice, because consumers are so numerous, they are paid to producers or dealers on condition that they maintain supplies and carry out the policy of the price ceiling by supplying goods to others at such prices as will permit them in turn to operate within the limits of the price ceiling. . . .

"When it has been determined that a subsidy is necessary, the point in the trade at which it is paid is a matter of administrative convenience. Since there are many more consumers than dealers and many more dealers than producers, subsidies (aside from import subsidies) are more likely to be paid to producers. What are in effect subsidies to consumers are paid at a point in the trade where the basis of the subsidies can be most readily and quickly verified.

"The second point arises out of the first, and it is that the subsidy paid to any particular industry or any particular firm does not constitute a benefit given to it, for the subsidy is conditioned upon certain action which increases the costs or reduces the receipts of the industry or firm. It is a fundamental principle that the industry or trade receiving a subsidy should bear a part of the increased costs in respect of which the subsidy is paid. In other words, the subsidy, in conjunction with the special conditions attached to it, should leave the industry in a worse, not a better, profit position than before the price ceiling was imposed.

"The Commodity Prices Stabilization Corporation makes every practical effort to check the facts supporting claims for subsidy and the good faith of the applicants, so as to insure that all payments are within the principles which apply to the subsidy in question. Under the heavy pressure of a program of such magnitude as universal price control, however, it is necessary to take short-cut methods of investigation, and to apply

(Continued on p. 36)

Trade Agreement Between Peru and the United States

The trade agreement between the United States and Peru, signed at Washington on May 7, 1942, is the 24th agreement negotiated by the United States under the Trade Agreements Act, and the 13th to be concluded with another American republic. The agreement will enter into effect 30 days following the day of its proclamation by the President of the United States and by the President of Peru, or, if the proclamations do not take place on the same day, on the 30th day following the later in time. It will remain in force for a period of 2 years (subject to special provisions for termination) and thereafter will remain in force indefinitely until 6 months after notice of termination is given by either party.

The agreement provides for reciprocal tariff concessions on specified products of particular interest to the two countries in the form of reductions of existing import duties and assurances against the increase of such duties or the imposition of duties on products now enjoying free entry. Like the other trade agreements concluded by the United States, it is based upon the principle of unconditional most-favored-nation treatment and contains reciprocal assurances of nondiscriminatory treatment with respect to all forms of trade control, including customs duties and related matters, taxes, import restrictions, and foreign-exchange control.

Trade Background

The trade between the United States and Peru has increased in recent years, and the position of the United States both as a market for Peruvian export products and as a supplier of Peruvian imports has improved.

Peruvian imports from the United States, consisting primarily of manufactured and processed articles, increased in value from 83,397,000 soles in 1937 to 169,312,000 soles in 1940. The participation of the United States in the Peruvian market during the same period increased from slightly more than one-third to over one-half. Exports of Peruvian goods to the United States have also expanded during recent years. Shipments valued at 81,039,000 soles in 1937 and representing 22 percent of total Peruvian exports during that year, gained in each succeeding year, reaching a total of 174,067,000 soles or nearly 43 percent of the total in 1940.

BUY BONDS STAMPS TODAY

American Products Benefiting Under the Agreement

The tariff advantages accorded by Peru under the agreement cover agricultural and industrial products classified under 50 paragraphs of the Peruvian tariff schedule; 40 of these benefit from reductions in the rates of import duty, and the existing customs treatment for the remaining 10 is bound during the life of the agreement. Imports from the United States into Peru on which concessions were obtained amounted in 1940 to 43,600,000 soles ($7,068,000) or 26 percent of total Peruvian imports from the United States in that year. Of this amount, nearly three-fourths represents imports of products which will benefit from duty reductions and the rest products which receive the benefit of bindings against increase in duty.

Duty reductions of 50 percent or more from the existing basic duties of the Peruvian tariff were obtained on 10 items, including safety razor blades, paraffined cardboard containers for packing butter and assimilated products, dictating machines and parts, bulbs for flashlights and miners' lamps, radio-receiving tubes, specified canned vegetables, and certain dried and canned fruits and nuts.

Other items on which the basic rates were reduced, ranging from 8 percent to 45 percent below existing levels, were: certain hats for men and boys, metal furniture, lumber of ordinary woods, plywood, enamel, and oil paints, pigmented lacquer, typewriters and parts, calculating machines and parts, certain tools and utensils, including abrasive paper and cloth, automobile trucks, chassis, and trailers, nonspecified motor-vehicle parts, cylinders for dictating machines, dry-cell and storage batteries and plates, radio and telegraph transmitting and receiving apparatus, electric refrigerators and parts, prepared oats, chewing gum, specified cereal flours, canned salmon, canned sardines in tomato sauce, safety razors, and dentifrices.

Existing rates of duty were bound against increase on plate glass, mining, and agricultural machinery, sewing machines and parts, radio transmitting tubes, motion-picture films, motion-picture projectors and parts, wheat flour, and certain pharmaceutical specialties.

Other concessions include the binding of wooden railway ties on the free list, the exemption from basic duty of fresh apples, pears, and plums on a seasonal basis, a change in the basis of assessing duties on certain classes of passenger automobiles from gross weight to legal weight, and special facilities for the temporary entry of motion-picture films under bond.

Peruvian Products Benefiting Under the Agreement

Imports from Peru on which consessions are granted by the United States under the agreement amounted to $4,084,000 in 1940, or 26 percent of total United States imports for consumption from Peru in that year. Of this amount, $2,058,000 represents reductions in duty, $71,000 bindings of duties which had been previously reduced in trade agreements with other countries, and $1,955,000 bindings on the free list.

The principal commodities on which reductions in existing rates of duty are accorded by the United States are sugar, long-staple cotton, bismuth, coca leaves, and hair of the alpaca, llama, and vicuna. In addition, reductions in duty or in the import tax, not previously granted in other agreements, were accorded to certain insecticide materials, certain cabinet woods, preserved or ground ginger root, and certain types of hemp. Other concessions included binding of the existing rates of duty or import tax on ground barbasco or cube root, certain types of flax, and balsa lumber, rough, or planed or dressed on one or more sides.

Items bound on the free list, under the agreement, including a number which had previously been bound under earlier agreements, include crude pyrethrum or insect flowers, cochineal, tara, guano, leche caspi, vanadium ore, oiticica oil, cinchona and other barks from which quinine may be extracted, coffee (except coffee imported into Puerto Rico), undressed otter skins, crude india rubber, crude gutta balata, crude or manufactured barbasco or cube root, quinine sulphate and cinchona-bark derivatives, raw reptile skins, raw goat and kid skins, unground ginger root, tagua nuts, tamarinds, certain cabinet woods, and balsa timber and lumber.

New Transport Corporation for Buenos Aires

The Government of Argentina approved on February 13, 1942, the conditions established for the 40,000,000-peso operation between the Transport Corporation of the City of Buenos Aires and a financial group comprising the Compañía Argentina de Electricidad, the Compañía Industrial y Mercantil Americano, and the Crédito Mobilaro y Financiero Bracht, S. A., for the incorporation of the omnibus and micro-omnibus or "jitney" services into the just-mentioned Transport Corporation.

The Transport Corporation consequently has deposited in the Law Courts branch of the Bank of the Nation the sum of 10,000,000 pesos in payment for the micro-omnibuses which makes up the 68 lines working in Buenos Aires. The press states that details will be announced later as to the sums to be paid to the owners of these vehicles (experts are to be appointed to evaluate them).

News by COUNTRIES

Note.—Further details of announcements, marked with an asterisk (*), may be obtained by interested American exporters upon specific request to the Bureau of Foreign and Domestic Commerce or any field office of the Department of Commerce.

Algeria

Tariffs and Trade Controls

Lubricating Oils: Price-Equalization Tax on Specified Imported Type.—A special tax of 260 francs per 100 kilograms has been imposed on the sale of *motor oils* of the type "SH–D2" imported into Algeria, to equalize their prices with those of *oils* of the same type manufactured in Algeria from imported *oils* of other qualities, by terms of an order published in the Journal Officiel of Algeria.

Liquid Fuels: Special Tax on Sales Increased.—The special tax on sales of *gasoline* and *alcohol fuels* in Algeria has been increased from 1.50 francs to 4 francs per hectoliter, by an order published in the Journal Officiel of Algeria.

[This tax had been imposed by an order of April 19, 1941, for the benefit of the Service for Distribution of Carburants.]

*Vegetable Hair: Export Tax for Benefit of Control Committee Established.**

*Horse, Mule, Donkey, and Camel Meat: Exportation Suspended.**

*Wine: Compensation Tax on Exports to French Colonies and Protectorates.**

Argentina

Exchange and Finance

Bank of Nation To Aid Development of Natural Resources.—The policy of exploiting natural resources was given impetus by a decision of the Bank of the Nation to grant loans up to a total of 10,000,000 pesos for the working of deposits of *solid fuel*. It was announced on April 23 that the Government intended to operate a number of *coal* mines, in addition to *copper* and *iron* deposits. Some *coal* mines are already in operation, taking advantage of the good demand and the high prices now ruling, which render the working of comparatively poor deposits profitable, but it is felt that if capital is forthcoming it will be possible to extend national production of *solid fuel* to a considerable extent.

Consequently, the Bank of the Nation will grant loans up to 200,000 pesos per firm, with interest at 6 percent per annum. Applications for loans must be accompanied by full details of the deposits and the projected exploitation, a duplicate of which must be sent to the Yacimientos Petroliferos Fiscales (State Oil Co.) which will report on the desirability of granting the loan and on the possibility of its amortizing within 10 years, the maximum duration established by the Government decree.

Y. P. F. will keep a close control on the manner in which the funds are employed, and the whole of the production must be sold to that department. The latter will fix a minimum price, to be paid within 15 days, covering production costs, but after it has actually sold the *fuel* a readjustment will be made, paying the miner the final price, after deducting all marketing expenses, plus a commission of 4 percent on the proceeds of the sale.

If the *fuel* has to be submitted to additional processes before it can be sold, Y. P. F. may arrange for its purchase in its raw state, undertaking such additional work as may be required.

Y. P. F. will sell to the miners the *fuel* required for extraction purposes, at a price of 10 percent below that ruling in the district. The National Government will assume the responsibility for any losses which the Bank may suffer through these operations.

1941 Report of Bank of the Nation.—The board of directors of the Bank of the Nation in its annual report for 1941 to the Ministry of Finance commented on the war's effects on Argentina and the measures taken by the Government to counteract them, and stated that the Bank itself was endeavoring to stimulate the establishment of new industries and to put them on a sound basis to meet the difficulties of the inevitable post-war readjustments.

The report also mentions that the Bank has been especially helpful to farmers, rural credits having reached the sum of 331,000,000 pesos. The Grain Regulating Board was loaned 1,057,481,000 pesos; commercial houses, 644,000,000 pesos; industrial concerns, 431,000,000; and other producing undertakings, 319,000,000 pesos. Of the foregoing amounts, 1,220,000,000 pesos have already been repaid.

The report goes on to say that the Bank's profits for the year amounted to 55,534,000 pesos, and that it had increased its reserve funds to 80,900,000 pesos. General deposits amounted to 1,983,371,000 pesos which, besides being the highest figure reached since the Bank's founding, showed an increase of 252,243,000,000 pesos over the amount registered during 1940; this increase was due principally to the influx of foreign capital as a result of the war.

The report also states that as of December 31, 1941, the Bank had outstanding 1,772,051,000 pesos, or 411,145,000 pesos more than during the preceding year. Credit operations during 1941 totaled 3,001,383,000 pesos.

The report states that since the passing of the law referring to loans with agrarian-asset security, this branch of the Bank's activities has steadily increased as shown by the comparative figures of the balances for the last 5 years, which were as follows (in thousands of pesos): 164,326 in 1937; 256,483 in 1938; 265,519 in 1939; 307,914 in 1940; and 320,443 in 1941.

Government Revenues.—Government revenues during February totaled 72,749,000 pesos, compared with 62,305,000 in February 1941.

Belgian Congo

Tariffs and Trade Controls

Knitted Jerseys: Import Duties Changed.—The duty on *sleeveless jerseys* knitted of *wool, cotton,* or *wool-cotton mixtures*, weighing less than 300 grams each, imported into the Belgian Congo or Ruanda-Urundi has been reduced from 15 to 5 percent ad valorem, while a duty of 5 percent ad valorem has been established for such articles, if of greater weight, by ordinance law No. 57 Fin.-Dou. of March 2, 1942, effective from March 1 and published in the Bulletin Administratif du Congo Belge of March 10. Such *jerseys* were formerly exempt from duty when weighing 300 grams or more each.

Belgium

Tariffs and Trade Controls

Agreement Governing Exchange of Goods During First Half of 1942 Concluded with Denmark.—An agreement providing for an exchange of an unspecified quantity of goods between Belgium and Denmark during the first 6 months of 1942 was concluded during the early part of this year, according to European press reports of February 18, 1942.

Under provisions of the agreement, Belgium is to send Denmark *stallions, leather goods, osier, plants, flower bulbs, chemicals, marble, telephone material, guts, gelatine, photographic articles, sand for molding, machinery, apparatus* of various kinds, *iron goods*, and *metal goods*. In return for these goods it is assumed that Denmark will send Belgium *agricultural products, fish* and *fish products*, and similar items.

Bolivia

Exchange and Finance

Foreign Exchange Deliveries During 1941.—The Central Bank published in April a report stating that during 1941 the delivery of foreign exchange to the Bank totaled $27,994,000, compared with $20,492,000 in 1940.

The total foreign exchange delivered to the Bank during 1941 consisted of 2,437,000 British pounds and 13,742,000 U. S. dollars. This represents a drastic change in the proportion of pounds to dollars delivered; during 1940 only 2,914,000 U. S. dollars were received but 4,206,000 British pounds were delivered.

Exporters of *tin ore* and *tin concentrates* delivered to the Bank during 1941 a total of $19,050,000, compared with $17,128,000 during 1940. Other *mineral* exports produced $3,965,000 during 1941 and $2,266,000 in 1940. Other exports produced $304,000 in 1941 and $292,000 in 1940.

Brazil

Tariffs and Trade Controls

Chemicals, Electrical Products, Agricultural Machinery, and Tools: Subject to Export License.—The exportation or reexportation of *chemical* and *pharmaceutical products, surgical, optical, photographic,* and *electrical products, agricultural machinery,* and *tools* in general are subject to an export license in Brazil, under provisions of decree No. 4273, dated April 17, and effective from the date of publication in the Diario Oficial of April 20, 1942, Rio de Janeiro. The Ministry of Finance will issue instructions for carrying out this decree.

British West Indies

Economic Conditions

April business in Jamaica was maintained at the satisfactory level of the previous months of this year, and indications point to a continued favorable trend. *Gasoline* supplies arrived during the early part of the month and somewhat eased the *gasoline*-shortage situation. Ample quantities are now available, and small rationed allotments have been issued to private car owners.

The British Imperial Government agreed to take all the *sugar* produced in Jamaica this year under a lag payment plan. *Sugar* produced in one month if not shipped by the end of the following month will be paid for to the extent of 95 percent at the end of the second month following production. The 5-percent difference will be paid when the *sugar* is moved.

Collections continue to be prompt while credits remain easy.

Living Costs

The reports of the committees appointed by the Jamaica government to inquire into the matter of the pegging of prices, with a view to keeping down the cost of living (particularly for the poorer people) and to inquire into the effects of the increased cost of living on salaries and wages in the Kingston corporate area since the outbreak of war, and to make recommendations regarding any such adjustments in wages or salaries as are considered necessary (especially among the lower-paid categories of workers), have been completed. In accordance with committee recommendations, the Governor of Jamaica, with the approval of the British Colonial Office, has proposed that suitable action be taken immediately to prevent the cost of living from exceeding 150 percent, on the basis of the index figure of 100 as at August 1939, but has recommended that efforts be made to stabilize the figure at 147½. The report included the following proposals:

To extend the system of government purchases and distribution of imported *foodstuffs.*

To extend the system of price control to cover all major articles of *food* of local production.

To fix maximum prices for certain lines of *dry goods* and articles of *clothing* more commonly used by the working classes.

To take such steps as may be necessary to bring about a greater measure of control in regard to the raising of rentals.

The Jamaica Legislative Council has passed an appropriation of £242,000 for the payment of war bonuses to Government employees, pensioners, and casual employees. These bonuses apply only to those in receipt of salaries up to £300 per annum.

Bulgaria

Tariffs and Trade Controls

Agreement Regulating Exchange of Goods Concluded with Denmark.—An agreement regulating the exchange of goods between Bulgaria and Denmark was signed in Sofia on March 13, 1942, according to European press reports.

Under the provisions of this agreement Danish exports to Bulgaria consisting chiefly of *machinery* may reach a total value of 2,000,000 Danish crowns (about $400,000). Danish imports from Bulgaria totaling an equivalent amount are to consist of *tobacco, sheepskin,* and *lambskin, grain,* and other commodities.

Canada

Wartime Commodity Controls

Specified Imported Products Previously Excluded from Subsidy Now Eligible for Such Aid; Other Products Excluded from Subsidy.—In a circular issued by the Canadian Wartime Prices and Trade Board on March 23, 1942, several products, which were previously on the list of goods excluded from subsidy, were declared to be eligible for subsidy, effective from that date.

The articles include *earthenware tile* (ex tariff item 284); *earthenware* and other *sanitary ware* (tariff item 289); *leather goods,* namely *luggage, purses, handbags, billfolds, pocketbooks,* and *cases* (ex tariff items 622 and 623); *florists' stock* (tariff items 78 and 79); *bicycles* (ex tariff item 439); and *carpets* and *rugs* (tariff item 572).

Keen Comments on World Economy Today

Second of a series of excerpts from notable books and speeches

Post-War Period's "Greatest Danger"

If we want to make sure that post-war reconstruction policies will really be directed toward winning the peace, we must make sure that the cessation of armed hostilities will not be followed by a continuation of economic warfare.

Lack of determination to abandon the policies and practices of economic warfare will be the greatest danger that can confront us after the war. Plenty of reasons for continuing such policies and practices will be advanced, as they were after the last war. Yet it will not matter whether economic warfare will be employed in the post-war era for selfish and predatory reasons, or as an instrument of other policies, or on the basis of a defeatist acceptance of what appears to be the line of least resistance, or as an inevitable consequence of action based on the theory that the solution of the problems of economic stability, full employment, and rising living standards can and should be sought predominantly or even solely in terms of national economies and of domestic measures and controls, and that the resultant sacrifice of foreign trade should be accepted as "inconsequential." In all cases it will lead only to economic stagnation or worse.

Hence, while doing everything that is necessary to win the war, no effort should be spared to develop, in our country and in all countries which are now embattled against the forces of conquest, a firm determination to follow resolutely a course which would bring us to economic peace—and to chart that course well ahead of the time when we shall have to face the problems of post-war reconstruction.

(From an address, "The Problem of Economic Peace After the War," by Leo Pasvolsky, Special Assistant to the Secretary of State.)

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Under the same circular, *lima beans*, ex tariff item 47, and *fabrics used in the manufacture of neckties, scarves*, and *mufflers*, dutiable under tariff items 561 and 564, were declared ineligible for subsidy, effective March 23, 1942.

Many additional products have been declared to be ineligible for subsidy, by a new ruling effective May 11, 1942. The list follows:

Coffee, coffee extracts, imitations or *substitutes* therefor, and *chicory; green peanuts* in the shell; *fruit juices* and *sirups; dried fruits* other than *prunes* or *plums; cocoa beans; nutmegs* and *mace; ground mustard; ginger* and *spices* other than *pepper; horsehair; popping corn; sago* and *tapioca; extracts of meat* and *fluid beef not medicated; eggs, egg yolk*, or *egg albumen, frozen, dried, evaporated, dessicated, powdered*, or otherwise prepared; *peanut butter; dried beans; dried lentils* and *dried peas*, whole or split; *pot, pearl, rolled, roasted*, or *ground barley; soups, soup rolls, tablets, cubes, or other soup preparations; hops; yeast; candles* and *candlesticks* of any *material; parts*, finished or unfinished, of the following: *dolls, toys, games, amusement devices, musical instruments, sporting goods, jewelry*, and *ornaments; macaroni* and *vermicelli; matches; oatmeal, rolled oats, milk foods, prepared cereal foods; fruit pulp; licorice.*

Courtesy U. S. Maritime Commission

The following products will be eligible for subsidy only when prior approval has been obtained from the Commodity Prices Stabilization Corporation: *uncleaned rice, hatters' fur, feathers, watch movements* and *parts* thereof, *salt* and *chemicals "when for use as production goods."*

The Corporation is responsible for the payment of subsidies approved under policies formulated by the Wartime Prices and Trade Board to maintain supplies of goods, including imports, under the retail price ceiling, which has been in operation in Canada from December 1, 1941.

The statement of import policy issued by the Prices Board on December 29, 1941, points out that the granting of subsidies is resorted to only after other means of offsetting the price rise have been exhausted, either by a reduction in duties or taxes, the removal of duties, the lowering of values for duty by acceptance of special export selling prices, or by the elimination of foreign import duties or excise taxes from dutiable values, all of which would reduce the need for subsidies, or at least reduce the amount of subsidy payments. Also, the particular trade or industry involved might absorb the loss, as in the case of the millinery trade, which volunteered last January to carry on without requesting such aid.

The article in FOREIGN COMMERCE WEEKLY for April 18, 1942, entitled "Review of Canadian Wartime Trade Control Measures," part I, indicates the methods which have already been utilized to meet the situation, and gives a list of products for which export selling prices have been declared to be acceptable as values for regular duty. The following items have since been added to the list: *Soybeans, soybean oil cake*, and *oil meal*, imported for stock *feed* or *fertilizer* purposes; *bristles; raisins* and *dried currants;* and *used or second-hand wooden barrels.*

Commodities which have not been specifically excluded from subsidy are theoretically eligible for subsidy in order to keep the goods under the retail price ceiling. While many products are therefore eligible, no complete list has been published. Even where imported goods have been declared eligible, it is necessary for the Canadian importer to apply for such aid. Under the established procedure importers submit correspondence and applications for subsidies to the Commodity Prices Stabilization Corporation, giving the detailed information requested on the application form, including statements as to past and present cost prices and selling prices.

Import subsidies, once granted for a particular commodity, are not continued indefinitely, for various reasons. For instance, the United States price might be reduced, or the Canadian price ceiling be lifted, or other factors may make the granting of a subsidy no longer necessary. Where authorized, subsidies are paid to the Canadian importer.

The regulations provide for the payment of subsidies on consumer goods imported for sale to domestic consumers in condition as imported, and also on goods imported for processing, assembly, fabrication, manufacture, or other method of conversion into consumer goods which will be sold to domestic consumers. Subsidies do not apply to goods imported direct by consumers.

Under section 3 (1) (f) of the regulations, goods the sale of which at retail in Canada is, from time to time, exempted from price ceiling, are not entitled to import subsidies. This exclusion from subsidy comes into effect automatically, without further notice, after the date of such exemption, and, with respect to previous imports not sold by the importer, at the time of such exemption.

Since publication on December 29 of the list of goods excluded from subsidy, additional products have been declared to be exempted from the maximum price-ceiling regulations, and therefore excluded from subsidy. Many of the products on this list are at present prohibited from importation into Canada from non-Empire countries under the War Exchange Conservation Act of 1940, as representing luxuries or nonessentials. These are referred to by item numbers in the Canadian tariff schedule, or are specifically named in the list. Imports from the United Kingdom (which are not affected by the prohibitions under the above act) would be eligible for the payment of subsidies under the regulations.

[See the special article elsewhere in this issue entitled "Subsidies in the Canadian Price Control" for extracts from a recent statement by the Canadian Finance Minister on the subject.]

Toys, Children's Sleighs, Wagons, and Carts, and Specified Musical Instruments: Manufacture Prohibited Except Under Permit.—Effective May 31, 1942, a permit, in writing, from the Controller of Supplies is required for the manufacture of *toys, children's sleighs*, or *children's wagons*, and *carts* if the *metal* content exceeds 10 percent in weight, and also for the manufacture of specified *musical instruments*, by order of the Comptroller dated April 29 and published in the Canada Gazette of May 9, Ottawa.

The *musical instruments* covered by the order are as follows: *phonographs*, including *electric phonographs, spring-powered phonographs, phonograph-radio attachments, automatic record changers, gramophones*, and *coin-operated phonographs.*

An order of the Minister of Munitions and Supply of April 29, 1942, designated the above articles as "supplies" under the jurisdiction of the Controller of Supplies.

Tariffs and Trade Controls

Imported Iron or Steel Containers Admitted Free of Duty and Taxes on Proof of Previous Exportation of Like Quantity of Similar Containers.—The Canadian Department of National Revenue has ruled that, until otherwise determined, *iron* or *steel containers* of miscellaneous imported products may enter Canada

free of duty and taxes if a like quantity of similar *containers*, in usable condition, has previously been exported from Canada, under regulations issued by the Commissioner of Customs and published in Customs Memorandum WM No. 61 of May 6, 1942, Ottawa.

The exportation of *containers* must be under customs supervision, and covered by an export entry showing the quantity, size, and type of the different *containers*. The quantity imported must not exceed the number of each size and type of *container* exported from Canada. The imported *containers* must be invoiced to the Canadian exporter and be entered by him at the port through which the *containers* were exported. The Canadian Collector of Customs keeps a record of all *containers* exported and imported.

The ruling was issued because of the general shortage of *iron* or *steel containers* in consequence of war conditions. It does not affect the provisions of Canadian tariff item 709 which admits *containers* free of duty, on return to Canada within 5 years, whether originally produced in Canada or once duty-paid in Canada. This refers to the return of identical *containers*, whereas the new ruling applies to similar *containers*.

Electric Torches or Flashlights and Parts, and Dry-Cell Batteries: Imports Prohibited Except Under Permit.—*Electric torches* or *flashlights* and complete *parts* therefor (ex item 445a) and *dry-cell batteries* not otherwise provided for (ex item 445e) have been added to the list of goods subject to the requirement of an import permit, by order in council of April 30, 1942, reported in Customs Memorandum WM No. 35 (Supplement 21) of May 4, Ottawa.

These two tariff items are therefore added to the list of goods in Part Two of Schedule One of the Canadian War Exchange Conservation Act of 1940 prohibited from importation except under permit.

Chile

Exchange and Finance

Semipublic Agencies Absorb Bonds Issued to Assist Railways.—The General Treasurer is authorized, by Ministry of Finance decrees Nos. 990, 992, and 993, published in the Diario Oficial of March 27, 1942, to sell through the Amortization Institute internal-debt bonds up to a total of 29,000,000 pesos, and to sell to the National Savings Bank and to the Railway Retirement and Social Welfare Institute 45,000,000 pesos each of the same bonds. The yield from these sales will be turned over to the State Railways Enterprise.

Colombia

Exchange and Finance

Exchange Situation.—At the present time exchange is immediately available for the importation of all four classes of merchandise.

Tariffs and Trade Controls

Period for Presentation of Import Manifests Extended.—The 4-day period for the presentation of import manifests in Colombia, which was established by article 217 of law 79 of 1931, has been extended to 15 days by decree No. 630 of March 10, 1942. This action has been taken because under present wartime conditions the documents needed by importers for the preparation of import manifests no longer arrive at the port of entry at the same time as the merchandise to which they pertain. Because of this delay, importers were frequently unable to present the manifests within the hitherto required 4-day period and were accordingly fined.

Cuba

Exchange and Finance

Government Finances.—Budgetary revenues for the period January 1 to April 25 totaled 33,691,000 pesos, according to preliminary figures released by the Ministry of Finance, compared with 25,687,000 pesos in the corresponding period of 1941.

The current-year total includes receipts from several special funds which in previous years were administered separately. Moreover, during the 1941 period customs revenues and other items totaling 949,000 pesos were not credited to the budget, but were diverted to the repayment of a 2,000,000-peso advance which the Government received in December 1940 from the Cuban affiliate of a United States *oil* company.

Allowing for the foregoing and for other factors which must be taken into consideration in comparing the two periods, regular budgetary revenues during the 1942 period exceeded those of the 1941 period by about 3,620,000 pesos. Regular budgetary receipts for 1942 do not include the proceeds from the tax surcharges created by the Emergency Tax Law of September 8, 1941 (totaling 2,446,000 pesos); the proceeds from the taxes established for defense and other special purposes by decree laws Nos. 1 and 2 of December 31, 1941, and decree law No. 14 of February 16, 1942, aggregating 2,007,000 pesos; and those from the taxes established by law No. 31 of November 22, 1941, for the service of the $25,000,000 loan which that law authorized (totaling 3,384,000 pesos from January 1 to April 25). The proceeds from the foregoing tax measures are deposited in special accounts to be used for the purposes set forth in the respective laws.

Regular budgetary expenditures during the 1942 period totaled 29,342,000 pesos, including 1,326,000 pesos additional appropriations representing mainly increased compensation of Government employees. During the same period last year budgetary expenditures totaled 24,773,000 pesos.

Tariffs and Trade Controls

Crude Animal Oils and Fats: Requirements for Classification at Lower Rate of Duty Modified.—*Crude animal oils* and *fats*, including *tallow*, containing more than 2 percent of free *fatty acids*, may now be imported into Cuba at the lower rate of import duty applicable under tariff item No. 102–C even when containing less than 1 percent of impurities, according to Cuban Presidential decree No. 1016, published in the Gaceta Oficial of April 14, 1942. The modification was designed to facilitate the importation of *crude tallow*, which, according to local importers and *soap* manufacturers, generally contains less than 1 percent of impurities. Action was taken in order to prevent interruption of *soap* production, following representations by manufacturers to the effect that the procurement of raw materials has been made extremely difficult because of the war. The decree will remain in effect until 1 year after the war. It will also apply to all of the above types of *oils* and *fats* now pending clearance through the customs.

Unloading and Storage of Combustible Materials Restricted.—*Combustible materials* such as bales of *cotton* and other *fibers*, *paper*, *cardboard*, and *millet*, henceforth may not be unloaded and stored on Cuban docks unless they are adequately separated from essential products such as *foodstuffs* and other damageable articles of prime necessity, according to Presidential decree No. 770, published in the Gaceta Oficial of March 20, 1942. The purpose of the decree is to lessen the danger of fire at points of storage.

Imports by Ministry of Agriculture of Articles for Use in Increasing Farm Production Exempted From Duties and Taxes.—An exemption from customs duties and taxes has been granted on goods imported by the Cuban Ministry of Agriculture in connection with the Government's program to increase agricultural production, according to Presidential decree No. 1081, published in the Gaceta Oficial of April 21, 1942. Chief among

the items involved are *agricultural machinery, implements, seeds,* and *farm animals.* The purpose of the decree is to facilitate the production of *foodstuffs* required by the island in the present emergency.

[See FOREIGN COMMERCE WEEKLY of March 28, 1942, for announcement of import-duty exemption previously granted to *machinery* used in rice production.]

Distribution of Allocated Materials to be Strictly Supervised.—To participate in the distribution of quotas of allocated materials assigned by the United States Government to Cuba for the second, third, and fourth quarterly periods of the current year, importers in that country will be obliged to fill out import forms supplied by the Agency of Importation and Exportation, according to a statement issued by that agency. The forms, in addition to providing space for data concerning the amount of importers' stocks on hand and their estimated requirements for the remainder of 1942, demand a sworn declaration of the extent of importation during the previous 4 years.

Use of Refrigeration Facilities in Bonded Warehouses Restricted.—Utilization of cold-storage depositories in Cuban bonded warehouses for nationally produced perishable *foodstuffs* intended for internal consumption is henceforth prohibited, according to customs circular No. 57, promulgated in the Gaceta Oficial of April 30, 1942. These refrigeration facilities are to be reserved exclusively for the storage of imported *foodstuffs* destined for internal consumption and for Cuban products prior to their exportation. A period of 30 days from the publication date is permitted for the removal from such depositories of nationally produced *food* products intended for internal consumption.

Reasons for the measure are to insure adequate storage facilities for imported products requiring refrigeration, and to encourage more widespread use by domestic products of existing cold-storage warehouses outside of the customs zone.

Denmark

Economic Conditions

FOREIGN TRADE IN 1941

The value of Danish imports decreased from 1,377,000,000 crowns (about $275,000,000) to 1,311,000,000 (about $262,000,000) in 1941. Exports dropped in value from 1,517,000,000 crowns (about $303,000,000) in 1940 to 1,257,000,000 (about $251,000,000) in 1941.

While the bulk of Denmark's foreign trade in 1941 was conducted with Germany, commerce was also carried on with Belgium, Finland, Hungary, Italy, the Netherlands, Norway, Rumania, Slovakia, Spain, Sweden, and Switzerland. European press reports indicate that the total Danish export trade with these countries was relatively well maintained as compared with pre-war trade, but Danish imports from these 12 countries have fallen off considerably.

A decrease in trade with Belgium, the Netherlands, and countries of eastern Europe was reported, but there was a corresponding increase in trade with Finland and the Scandinavian countries.

Tariffs and Trade Controls

Triangular Trade Agreement with Sweden and Finland Providing for Additional Danish Exports to Finland.—An agreement providing for the exportation of 14,000,000 Swedish crowns' worth of Swedish goods to Denmark, in return for which Denmark is toa export to Finland 2,000 metric tons of *butter* and 5,000 metric tons of *sugar* has recently been concluded, according to an announcement from Stockholm, April 20.

Swedish exports to Denmark are to include products valued at the following amounts in Danish crowns: *lumber,* 3,500,000; *pulp,* 1,700,000; *paper* and *cardboard,* 2,700,000; *iron* and *steel,* 3,900,000; *machinery* and *tools,* 3,000,000.

Payment for the Danish goods shipped to Finland is to be made through the Danish-Swedish clearing.

This transaction involving the granting of Swedish credit to Finland is similar to the arrangement made in January of this year, whereby Denmark was to export 12,000,000 Swedish crowns, worth of goods to Finland.

[See FOREIGN COMMERCE WEEKLY of February 7, 1942, for publication of this arrangement.]

Trade Agreement With Norway Continued for Another 6-month Period.—An agreement governing the exchange of goods between Denmark and Norway for the 6-month period March 1 to August 31, 1942, has been concluded, according to a report of March 18, 1942.

By the terms of this agreement Denmark is to export to Norway goods (including *foodstuffs*—chiefly *sugar—machinery, drugs,* and other items), having an estimated value of 27,000,000 Danish crowns (about $5,400,000) in return for which Norway is to send Denmark *fertilizers* (most of which are to be delivered after August 31, 1942), *paper, woodpulp,* and other industrial raw materials, to a value of 36,000,000 Danish crowns (about $7,200,000).

Questions connected with the exchange of commodities under this agreement are to be discussed some time during June. One of the chief matters to be determined at this time will be the amount of *fertilizers* that Norway is to ship to Denmark.

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Dominican Republic

Economic Conditions

Business continued with unabated activity through March and April, with no indication in sight of any slackening of turn-over. Banks report that credits and collections continue to average well above the corresponding period in 1941, that past-due collections were at an extremely low figure, and that the cash balances in the bank accounts of merchants are higher at present than at any time in several years. Merchants are not able to purchase all the goods they want, because, though they are prepared to meet the sellers' requests for cash payment, supplies are low. In fact, money is plentiful, and a salutary decrease appears to have taken place in the customary over-extension of credits.

Stocks of *sugar* are continually mounting. This is an increasingly serious problem, since existing supplies are already taxing the storage facilities of the mills. However, every building capable of holding *sugar* is being utilized, and it

is believed that this, plus the storage space offered in Government warehouses, may be enough to store all the *sugar* now being produced until such time as the commencement of quantity *sugar* shipments relieve the present situation.

Tariffs and Trade Controls

Executive Authorized to Requisition Articles Necessary for Public Interest.—Sweeping powers have been conferred upon the President of the Dominican Republic by legislative action of March 24, 1942, under which he is authorized to take or requisition any article possessed by either an individual or a corporation when he may consider such article necessary for the general interest, and when its sale or transfer is impeded by the possessor. Provision is made for payment to the former holder of the value of articles requisitioned. If transfer is made to the Government or other public institutions, the price is to be fixed by the President or by experts named by him. The price is to be determined in the same manner in case the article requisitioned is transferred to an individual, provided the owner and the transferee do not reach agreement on that price.

Agents designated to carry out acts of requisition are to have access to all commercial establishments and storage deposits.

Reason for the measure is to protect the national economy from disruptions caused by war conditions, and to guarantee that materials indispensable to the welfare of the people will be used in the general interest.

Rice: Export Quota Fixed for Second Quarter.—The quota for exports of *rice* from the Dominican Republic for the quarter ending June 30, 1942, has been fixed at 60,000 Spanish quintals (6,085,800 pounds) by a Presidential decree (No. 1572) of March 24, 1942. Distribution of the quota among exporters is to be under the direction of the Minister of Finance and Commerce, in accordance with instructions transmitted to him by the Rice Institute.

The *rice* export quota for the quarter ended March 31, 1942, was 1,500,000 kilograms (approximately 3,300,000 pounds).

Ecuador

Exchange and Finance

Change in Official Exchange Rates.—Ecuadoran Executive decree No. 695, which was approved on April 28, 1942, modifies the official rates of exchange. The new decree provides that dollars shall be sold to the public at the rate of 14.10 and that purchases shall be made at 13.70 sucres. Rates of exchange for other currencies shall be based on the rate prevailing in New York with relation to the dollar rates indicated above.

The decree also provides that the gold reserve of the Central Bank shall be revalued on the basis of 14.00 sucres for each dollar, and the difference is to be charged to the Stabilization Fund. The funds which the Central Bank maintains abroad are likewise to be revalued on the basis of 13.80 sucres to the dollar, and the resulting differences are to be charged to the Stabilization Fund.

To reduce losses which would otherwise result to the Central Bank as a result of the change in exchange rates, provision is made that payments for merchandise arriving in the country up to June 30 shall be made on the basis of 15.10 sucres to the dollar, even though payment is made after the arrival of the merchandise.

Half of the profit originating in the difference between the buying and selling rates is to be used to redeem the Government's debt to the Central Bank, and the other half is to be credited to the account of the Exchange Control to cover the latter's costs of operation. This account is to be liquidated quarterly, and any unused balances are to be applied as follows: 60 percent to reducing the Government's debt to the Central Bank, 30 percent to be delivered as profit to the Central Bank, 10 percent to increase the Central Bank's Stabilization Fund.

Required Deposit Under Confirmed Letter of Credit Reduced.—To assist importers, who are at present encountering great delay in receiving merchandise even after a confirmed letter of credit has been opened, resulting in the immobilization of large sums of money, the President, on March 21, signed decree No. 420 modifying article 45 of the law governing the operations of the Central Bank. Under this decree, the Central Bank is authorized to issue confirmed letters of credit for the importation of merchandise upon the importer's depositing in cash 25 percent of the value of the letter of credit and the remaining 75 percent in such guaranties as the Board of Directors shall deem necessary. The decree further provides that the 25 percent cash deposit shall not be required for merchandise imported by governmental departments, State railroads, the Loan Bank of Ecuador, and the Southern Railroad—it being sufficient for such entities to produce guaranties satisfactory to the Board of Directors. Previously, the Central Bank required of importers a cash deposit of 100 percent of the value of the confirmed letter of credit.

Customs Receipts.—Customs receipts in March totaled 3,166,000 sucres, compared with 3,408,000 sucres in March 1941.

El Salvador

Exchange and Finance

Government Finances.—During the first 10 months of 1941 (the latest period for which data are available), revenues were 14,699,000 colones and expenditures 15,419,000, a deficit of 720,000 colones resulting. These figures do not include a deficit of 1,931,000 colones carried over from 1940.

The public debt on October 31 was 43,707,000 colones, of which 38,168,000 was external and 5,539,000 internal.

French Morocco

Tariffs and Trade Controls

*Coffee: Exportation prohibited.**

Germany

Wartime Commodity Controls

Bread: Quality Again Reduced to Save Grain.—Revised milling and *bread*-dis-

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tribution regulations have been promulgated in Germany. Milling of *grain* to new lower standards became compulsory from April 1, 1942, though existing stocks of *flour* of the old standards may be baked until June 15, 1942, according to the Frankfurter Zeitung of April 9.*

Guatemala

Wartime Commodity Controls

Further Rationing of Petroleum Products.—Rationing of *petroleum products* in Guatemala has been extended to *kerosene, Diesel oil,* and other *petroleum derivatives* by a Guatemalan Executive order of April 30, 1942. Under a previous order, effective March 31, 1942, sale of *gasoline* had been cut by 15 percent of 1941 consumption, and the new order applies this provision to the above products. The Office of Economic and Financial Coordination has been authorized by the new order to vary, as conditions require, the percentage of *petroleum products* consumed.

Honduras

Exchange and Finance

Exchange Situation.—Remittances of dollar exchange to the United States are being made for all current transactions not subject to freezing control in 1 to 3 days.

The Exchange Control is continuing to prohibit the transmission of funds abroad by, from, or for persons of enemy nationality, in accordance with the freezing decrees.

Government Finances.—Government revenues for March 1942 totaled 1,081,000 lempiras, while expenditures were 1,271,000. Comparative figures for March 1941 are, respectively, 1,134,000 and 1,195,000 lempiras.

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Iran

Tariffs and Trade Controls

Certificates of Origin Not Necessary.—For the duration of the war, importers will not be required to present certificates of origin to the Iranian customs authorities—according to a decree issued by the Council of Ministers and published in the Journal de Tehran of February 28, 1942.

Panama

Economic Conditions

During March, general business activity in the Republic of Panama maintained the high level of previous months. Stocks of durable consumers' goods became scarcer, and, as a result of shipping difficulties and the curtailment of production in the United States, the outlook for their replenishment does not at present seem favorable.

In nondurable commodities, the general inventory situation appeared to have eased somewhat. This probably was a reflection, in part, of the drastic reduction in customs duties on certain *foodstuffs* put into effect in February and, in part, of the active participation of the Banco Agro-Pecuario in importing certain scarce items.

New Decree Designed To Conserve Supplies

The tension was still sufficient, however, to warrant a Presidential decree on April 17 prohibiting the reexportation from Panama of certain items such as *foods, iron* and *steel, tires, drugs, bottles, barbed wire,* and *kerosene.* Excepted were native nonmanufactured products such as *bananas, coconuts,* and *cacao.*

In the future, all exports and reexports of whatever variety will require special permits issued by the Captain of the Port. The prohibitions of the decree do not apply to products going to the Canal Zone or to ships as provisions.

Because of the strategic position of Panama, a ban has been placed on private *radio* stations.

Liquidation of Alien Property—Building-Materials Shortage

The Alien Property Custodian began the liquidation of the stock of Casa Japonesa, offering its inventory in lots at auction, and announced that bids for the stock of the "German Drug Store" in Colon, valued at 7,500 balboas, would be received up to and including April 27.

March *building* permits for Panama City amounted in stated value to 100,450 balboas, as contrasted with 322,144 balboas a year ago. This reflected the shortage of *building materials*—a situation which was emphasized by relaxation of an important safety standard. Because of the lack of *conduits,* open *electric wiring* is now allowed where no fire hazard is created.

Agricultural Production Vigorously Encouraged

The Government is continuing its campaign to increase agricultural production. The Banco Agro-Pecuario, founded 8 months ago to assist in this program, announced that not only had it repaid the 250,000 balboas which constituted its original capital but had built up its assets to nearly 500,000 balboas. Of this account, 215,000 balboas was in loans, most of the remainder being held in cash.

Among its activities during the month, the bank imported *corn* and *rice*—offered high-grade *milk cows* for sale—called for offers on *rectified alcohol* to be imported—concluded an agreement which will temporarily curtail *potato* imports to encourage domestic production—and announced that it would not finance *rubber* gathering but stood ready to purchase the gathered product for the United States Government as soon as a price was established.

The first link in what ultimately will be an extensive irrigation project was opened in the Province of Los Santos.

To supplement the *poultry*-importation program already in effect, the Ministry of Agriculture and Commerce put into operation a plan whereby 500 baby *chicks* are to be imported weekly, to be fed for 6 weeks and then sold to poultry raisers at cost. The plan also provided for the importation of a smaller number of *ducklings.*

The Ministry of Finance and Treasury has announced the withdrawal from sale of certain tracts of land along the Trans-Isthmian Highway. This action was taken in order to assure to small farmers the availability of arable land along the highway at nonspeculative prices. It will remain in effect until a definitive policy is developed.

Transport and Communication

Wartime Creates Problems, Stimulates Activities.—Panama's transportation facilities, consisting almost entirely of *automobiles* and *trucks,* have been hard hit by the critical shortage of *tires* and *tubes.*

In April, a conference was held to determine what could be done to revive the once-flourishing coastwise steamship transportation.

In the meantime, *road building* was not neglected. The Municipal Engineering Division of the Canal Zone is to supply the material and personnel necessary for the construction of certain bridges on the National Highway. President de la Guardia promised repairs to the road to El Valle, one of the principal agricultural and livestock areas of the country, that would make it an all-weather road, and also promised a daily transportation service between Chepo and Panama City, primarily to carry farm products.

Paraguay

Tariffs and Trade Controls

Use of Cotton Bags for Domestic Sugar and Flour Obligatory; Jute Bags Containing Imported Sugar and Flour Sub-

ject to Surtax.—The use of locally made *cotton bags* as containers for domestic *sugar* and *wheat flour* is required by decree law No. 11,124, promulgated February 20, 1942. *Sugar* and *flour* may be packed only in bags of 50- and 70-kilogram capacity, respectively. When these products are imported in *jute bags* a surtax will be paid on each *bag* equal to the difference in the price of a *cotton bag* and that of a *jute bag* increased by 25 percent. The Department of Industry and Commerce will periodically set the difference in price between the two types of *bags*. On each *cotton bag* of domestic manufacture produced, a tax of 5 pesos will be collected.

Peru

Tariffs and Trade Controls

Trade Agreement with the United States Signed.—A trade agreement between Peru and the United States, containing reciprocal tariff concessions and assurances of most-favored-nation treatment, was signed on May 7, 1942, according to an announcement by the Department of State, Washington. A summary and analysis of the provisions of this agreement appears elsewhere in this issue of FOREIGN COMMERCE WEEKLY as a special article.

Reunion

Tariffs and Trade Controls

*Phonograph Disks: Import Permits Required.**

*Photographic and Cinematographic Documents: Exportation Restricted.**

Sweden

Economic Conditions

FOREIGN TRADE

Swedish export trade rose during March to 54,000,000 crowns after having dropped to record low of 42,000,000 crowns in February. Imports trade dropped to 50,000,000 crowns during March from 74,000,000 crowns in the preceding month.

A continuation of the restriction on shipping because of heavy ice conditions in the Baltic area is reported to have contributed to this decline in import trade.

In March the export price index registered its first increase in 1942, moving four points to 176 (1935=100). Import prices continued their upward movement. In March the index moved three points to 261.

INDUSTRIAL ACTIVITY—WHOLESALE PRICES

After having dropped two points in January the industrial production index rose a point to 105 in February (1935=100).

The wholesale price index of the Royal Board of Trade increased a point during March to 184 (1935=100). In March 1941 this index stood at 169, while for the same month in 1939 it was only 109.

COST OF LIVING AND WAGES

The cost-of-living index rose nine points to 236 during the first quarter of 1942. Because this index has now advanced beyond 233, as provided for in the master wage agreement concluded for 1942, wages governed by this agreement are increased 2.5 percent.

Exchange and Finance

New Loan Fund for Small Industries and Craftsmen.—As a result of an appeal to the Government by the National Organization of Swedish Craftsmen, 2,000,000 crowns (about $480,000) were appropriated by the Swedish Parliament for a new loan fund for craftsmen and small industries. From this fund, called the "Fund for Credits to Craftsmen and Small Industries," loans may be obtained under much more favorable conditions than those required for loans from an old Government fund, which has existed since 1911 and has been administered by the Royal Board of Trade. Under this new loan fund, applications will be handled by the various district offices of the Swedish Riksbank. In certain cases loans may be obtained without regular collateral but merely on the basis of character and competency.

One of the special provisions in connection with this new fund, however, is a requirement that local guaranty associations must be formed which will share with the Government the liability to pay for any losses sustained in connection with the granting of loans from this fund.

Transport and Communication

Sweden Issues New Regulations on Food Rations to Merchant Marine.—In view of the hard work performed by Swedish seamen in the present situation, new regulations have been issued by the Government Food Commission to increase the allotment of rationed *foods* to Swedish merchant vessels. A certain discrimination has been made between ships plying between Swedish ports and vessels calling at foreign ports, giving the latter somewhat larger allotments of certain *foodstuffs* which are under Government control. These new regulations were made effective January 1, 1942.

If a Swedish ship leaves for a foreign port where it may be assumed that provisions are not obtainable at reasonable prices, it may receive additional allotments of rationed *foods* also for the stay in such a foreign port, as well as for the return voyage to Sweden. In special cases a certain additional allotment of rationed *foods* may be granted to pilots and to customs personnel staying on board the ship. Extra allotments are received for the lifeboats of each vessel. It is stipulated that each lifeboat of a ship engaged in the North Sea or Baltic traffic must, as a rule, be equipped with a waterproof container, carrying 1 kilogram of hard *bread* per person. Also each lifeboat must carry 1 kilogram of *canned meat* as well as *coffee, tea,* or *cocoa* for at least five meals per person.

The following table shows the weekly allotments of rationed *foods* to seamen from January 1, 1942, as compared with those granted to consumers engaged in ordinary work, at the beginning of December 1941:

Commodity	Weekly rations to seamen employed on—		Weekly rations granted to consumers engaged in ordinary work
	Vessels plying between Swedish ports	Vessels plying to foreign ports	
Coffee, roasted..grams..	40	60	38
Meat and pork total [1] points [2]..	750	1,000	440
Edible fats [3] grams per month..	350	450	250
Potato flour and groats thereof [4].....grams..	30	50	18
Sugar.....do....	500	600	430
Sirup.....do....	700	900	600
Dried fruit.....do....	100	150	35
Eggs.....do....	120	180	90
Peas.....do....	200	200	75

[1] At least half of this total allotment must consist of other meat products than pork. Private consumers may take out 120 grams of the total allotment in pork.

[2] One point equals the meat value of 1 gram of boneless meat or pork.

[3] Half of this allotment must be taken out in the form of margarine. The other half is good for obtaining butter, other edible fats, cream or fat emulsion, in which latter case 250 grams of edible fats are considered to correspond to 1.5 liters of cream or fat emulsion.

[4] Potato flour and groats thereof may also be obtained on the current bread and flour allowances, but, if so, at the expense of the regular bread and flour rations.

Uruguay

Economic Conditions

Though prices of most goods have increased in recent months, the volume of retail business for April was estimated to be 10 or 12 percent greater than that of March, and foreign trade has held up well, too, except that manufacturers of some lines are encouraging difficulty in obtaining imported raw materials.

Production of all *cereal* crops will show an increase this year, according to the estimates of the Ministry of Livestock and Agriculture, which states that the *wheat* crop will be almost 85 percent in excess of last year's crop. Rains in March and April improved pastures considerably, with the result that offers of *cattle* to the frigorificos have increased. There is a good demand for quality fat *cattle,* and prospects for this industry are encouraging.

Tariffs and Trade Controls

Governmental Purchases Without Prior Bids Authorized.—In view of the present abnormal international situation, Government departments and autonomous agencies are authorized, when necessary, to purchase material abroad without a prior call for bids, according to the provisions of a Uruguayan decree of April 17, 1942, published in the Diario Oficial, April 25.

Paraffin for Insulation of Transformers: Import Duty Reduced.—*Paraffin* for

(Continued on p. 35)

News by COMMODITIES

Aeronautical Products

New French Flying Boat

The first of the French 43-ton trans-Atlantic flying boats of the 151P type has been completed and has undergone test flights, according to the European press.

It has 6 Hispano-Suiza, 1,000 horsepower engines, a range of about 5,200 miles, and a maximum speed of 225 miles an hour. The cruising speed of the aircraft is reported to be about 188 miles per hour.

Swedish Aircraft Industry Today

Sweden's aircraft industry is regarded as self-sufficient by the director of the aircraft factory Aeroplanbolaget Wahrgreen, says an article in the European press.

Swedish works have been reorganized and will produce both airplanes and motors. The Swedish aircraft industry has 1,100 employees and officials.

New Plant in Switzerland

A new plant for the making of airplanes has been opened at Stans, near Lucerne, according to the European press. The company is Pilatus Flugzeugwerke A. G., a subsidiary of the Oërlikon Tool Machine factory, Zurich, which also manufactures shells and guns for aircraft.

The new aircraft works has a share capital of 2,000,000 Swiss francs, and, according to the management, has no connection with foreign enterprises.

Automotive Products

Today's Situation in Finland

Only one factory in Finland is engaged in production of motor vehicles, and its output, compared with domestic requirements, has always been extremely small. There are no data on production for 1941, though its output is known to consist chiefly of trucks and busses. Motorcycles are not manufactured in Finland. There are no foreign assembly plants in Finland, nor are vehicles of Finnish design assembled in other countries.

It is improbable that any motor vehicles manufactured in Finland were exported during 1941, because the demand for war purposes was great, and the Baltic countries, to which a few units were formerly exported, were out of the market during the year.

The European press reports that 231,561,587 Finnish marks' (about $4,691,438) worth of vehicles was imported during the year, under a classification "automobiles, bicycles, et cetera." From other reliable sources it is learned that a total of 47 passenger cars and 1,859 chassis were imported during 1941; most of the chassis were for trucks and busses. Of these, 1 passenger car and 1,004 chassis came from the United States; Germany and Sweden were, in that order, the main suppliers of the others.

Recent Motor-Vehicle Production in Sweden

Production of motor vehicles in Sweden in 1941 was adversely affected by the prevailing shortage of gasoline and oils caused by the blockade to the west, which necessitated rigorous Government restrictions on the use of motor vehicles in Sweden. The Government decree of May 3, 1941, restricting the use of lubricants to such motor vehicles as are absolutely essential to traffic, resulted in a decreased demand for new motor vehicles, despite their adaptation for operation by producer gas.

Electrically driven trucks and 3-wheel vehicles were made in increasing quantities in 1941, and this form of traction is expected to expand.

In the absence of official production figures for 1941, estimates based on statistics from the various manufacturers are given as follows: 126 passenger cars, 2,993 trucks (including 81 electric), 313 busses, about 1,100 3-wheel vehicles, and no motorcycles. No statistics or estimates concerning the production of trailers are available.

All of the passenger cars above cited were 6-cylinder, 86-horsepower, closed models. The capacity of the trucks ranged from 700 to 9,500 kilograms, and the capacity of the busses varied between 40 and 60 seats. Of the approximately 1,100 electrically operated 3-wheel vehicles produced, 1,000 had a loading capacity of 175 kilograms and 100 of 200 kilograms—both excluding the weight of the driver.

United Kingdom May Requisition Trucks

The Ministry of War Transport of the United Kingdom will requisition trucks which are offered for sale at unreasonably high prices, says an item in the European press.

Action will be taken in flagrant cases, it is stated, if it appears that the efficiency of the war effort may be hampered. There is no information, however, that profiteering in second-hand commercial vehicles is widespread.

BUY BONDS STAMPS TODAY

Beverages

Trends in Argentina's Business

Argentina produces beer from home-grown malting barley and consumed 36,502 tons of malt in 1939. Hops, which formerly came from Europe, are now imported from the United States.

There are excellent vineyards in the irrigated zone around Mendoza and San Juan, and Argentina's domestic requirements of wines are supplied from this area.

Recently there has been a large exportation of vermouth to the United States. In all, Argentina produced 650,000,000 liters of wines in 1939.

In 1941, Argentina imported 76,527 dozen bottles of Scotch whisky from the United Kingdom—a moderate reduction from 95,733 dozen in 1940 and 87,857 dozen in 1939. The population generally does not drink strong liquors, although there is a domestic production of spirits from sugarcane. Wines and beer are the popular beverages.

Imports of gin amounted to 8,685 dozen in 1941 against 18,245 dozen in 1940 and 19,047 dozen in 1939. A total of 2,009 tons of gin concentrate was made in 1939.

New Distillery for Panama Likely

One of Panama's largest brewery companies will act on a recommendation of the directors for the establishment of a Scotch whisky manufacturing plant, according to reports from that Republic. It is considered likely that the plan will be approved and that one of the company's beer plants will be converted into a distillery with capacity equivalent to the current domestic demand.

An official of the company reportedly states that no competition is anticipated from liquors manufactured in the United States and exported to Panama. The local market, it is estimated, now consumes about 250,000 liters annually, valued at more than $200,000.

Chemicals

Argentina's Calcium-Carbide Consumption

Annual consumption of calcium carbide in Argentina is between 10,000 and 12,000 tons, and the demand is met by importation. There is no domestic production of carbide, largely because there is no cheap hydro-electric power.

Imports of calcium carbide in 1940 were 10,732 tons, of which 70 percent came from Europe. In 1941, 8,250 tons were imported, with the United States and Canada as the chief sources and

Brazil and Mexico supplying small amounts.

Brazil's Shipments and Imports

In the chemical trade of Brazil in 1941, exports of raw materials essential to the war effort increased, and imports decreased in volume but increased in value, according to statements in the British press.

The principal imports in 1941, with comparative data for 1940 in parentheses, were: mineral salts, caustic soda and other inorganic chemical products, 85,306 tons (93,933), value 163,614 contos (144,592); pharmaceutical and organic chemical products, 42,420 tons (45,627), value 159,236 contos (120,825); aniline dyes, essences and other primary synthetic materials, 6,682 tons (4,773), value 128,360 contos (84,759).

Weed Control in Canada

Chemicals for the control of noxious weeds may be needed to replace sodium chlorate, which the Provincial Government agencies now find difficult to obtain.

Costa Rica's Chemical Imports Mount

Imports of chemicals into Costa Rica in 1940 increased in value over those of 1939, and gains were made in quantity in most of the classes. The following table shows imports in 1940, with comparative data for 1939:

Item	1939		1940	
	Quantity	Value	Quantity	Value
	Kilograms		*Kilograms*	
Fertilizers	4,217,603	$171,386	5,808,014	$284,170
Chemical products	204,696	252,221	194,564	282,285
Disinfectants	980,131	77,286	2,114,723	164,658
Paints, ready-mixed	327,610	99,838	367,007	109,251

Finnish Plastic Enterprise

Manufacture of plastics is to be undertaken by a new Finnish company, the Bakelittituote O. Y. This company has a capital of 4,500,000 Finnish marks and is constructing its factory at Korsholm, near Vassa.

Distinctive New Uses for India's Lac

Several new uses for lac have been found through investigations carried out by the Lac Research Institute of India, according to British journals.

The shellac molding powder being used in the manufacture of technical electrical goods, such as switches, has been improved, and the curing time in the press is now almost equal to that of imported bakelite powders. Cost has been cut substantially by reducing the proportions of urea and formaldehyde in the composition.

The use of shellac in combination with rubber, it is claimed, produces hard rubber compositions suitable for making heels and door mats.

The combination of shellac and jute, two major articles of trade in India, has received considerable attention. Jute waste is being used already as a filler in shellac plastics. New developments are the use of both jute fabric and waste with shellac molding powder in the manufacture of cheap laminated boards, and the treatment of jute fiber with shellac resins to produce proofed material.

Investigations have revealed new host trees that can be successfully exploited for lac production.

Ireland's "Potash Lime Dust" for Tillage Crops

To compensate for the shortage of ar-artificial fertilizers, an Eire cement company, at the request of the Minister of Agriculture, has agreed to place on the market at nominal cost a byproduct of the cement factories known as potash lime dust. This product is primarily of value for its lime content. It contains from 2 to 3 percent of potash in addition to lime and should prove useful for application to tillage crops at the rate of from 1 to 2 tons per acre—particularly on land deficient in lime—it is stated.

German Plans for Polish Company

The Boruta Chemical Industry Co. of Poland has been taken over by the I. G. Farbenindustrie A. G. and will be known as the Teerfarbenwerke G. m. b. H., according to the European press. The company plans to enlarge and modernize the factory at Lodz and to extend its operations to include, in addition to dyestuffs and byproducts, other chemicals, chiefly for the textile industry.

Spain's Superphosphates

The present annual capacity of the Spanish superphosphate industry is said to be 1,500,000 tons in a statement recently published by the Sindicato Nacional de Industrias.

Sweden's Artificial-Fertilizer Problems

Artificial fertilizers are of vital importance to Sweden at this time, for agriculture must be encouraged to offset the effect of several years of extremely unfavorable weather and the loss of foreign sources of grain. It appears that the problem has been studied and a supply of artificial fertilizers is assured, according to the Swedish press.

In the superphosphate industry, domestic apatite has been substituted for the raw phosphate which came from foreign sources and is no longer available.

Imports of Chilean nitrate have practically ceased, dropping from an average of 48,000 metric tons in the normal years 1935–36 to about 1,600 metric tons in 1941. Fortunately, Sweden has been able to draw on the recently expanded industry of Norway for increasingly large orders of calcium nitrate. Imports of this fertilizer jumped from the normal average of 60,000 metric tons to 128,000 in 1941, and Sweden has been able to maintain allotments of nitrogenous fertilizers to farmers at a peacetime level. The use of calcium nitrate has been successful except in the cultivation of sugar beets—therefore, the present supply of Chilean nitrate will be reserved for that crop. The supply, it is understood, will meet demand for some time.

Potassium salts are now imported exclusively from Germany. Peacetime imports averaged 80,000 metric tons. In 1940 imports increased to 90,000 tons but dropped in 1941 to 61,000 because of shipping difficulties. Shipments are routed by water from western Germany, and the severe weather of the past 2 years hampered shipping.

South African Explosives Manufacture Stimulated

The explosives industry in South Africa has expanded greatly since the beginning of the war, and all allied chemical industries have been stimulated by the growth, reports a British journal.

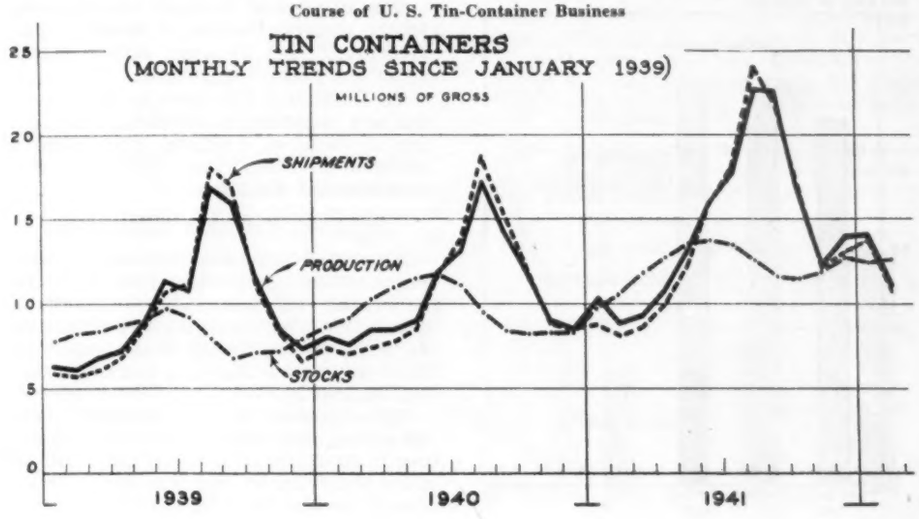
The explosives are being used for both military and industrial purposes. The present production of industrial explosives is greater than domestic requirements, and an export trade with African countries has developed.

New Chemical Development in United Kingdom

A cheap filler for phenolic bakelite molding powders, flexible boards, rubber products, linoleum, and other manufactures has been found in the United Kingdom, reports a British journal.

The filler is the woody pieces left after flax shives have been treated for making linen. Before the war, they were wasted or burned, it is stated. Now they are

Course of U. S. Tin-Container Business



ground to 80 mesh (B.S.S. screen) and used as a filler—and to 30 mesh and used to clean tin plate.

Experiments by Imperial Institute in United Kingdom

The annual report of the Imperial Institute for 1941 shows that, despite having to operate with a smaller staff, because of the war, work of the plant and animal-products department has continued. Consultations have been held where necessary with professional and trade experts, producers, and commercial organizations.

The results of recent experiments in establishing a uniform standard method for the determination of rotenone in derris root have been satisfactory. Further adjustments are needed to make the tests completely applicable to the Tropics. To make the analytical control of derris effective, it will also be necessary to improve present methods of sampling the roots, and experiments on this problem are now being carried out.

Clay and Related Products

Single Size for Britain's Bricks

An advisory committee, set up in Britain's brick industry to study all matters, with the exception of wages, affecting the efficiency and proper functioning of the industry, has recommended, among other things, one standard size for common brick.

Coal and Fuel Gases

Steady Advance in South Africa's Coal-Gas Production

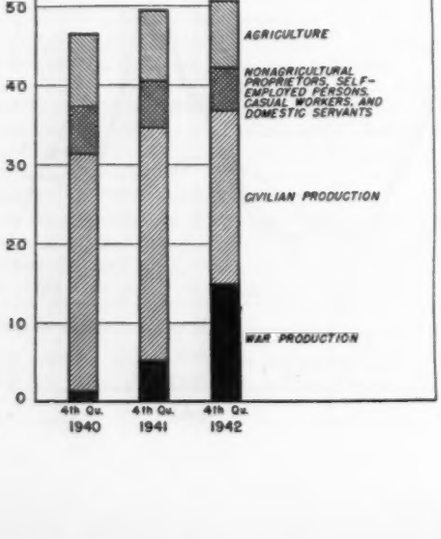
Coal-gas production, growing steadily in South Africa's chief cities, is expected to reach 1,000,000,000 cubic feet per year in Johannesburg, according to reports. Plant additions are in progress at present, but war shortages will probably prevent full capacity from being reached until after the war's close.

Figures for other South African cities are as follows: Capetown, 240,000,000 cubic feet per year, serving 5,200 customers and 171 industrial plants; Port Elizabeth, 64,000,000 cubic feet per year; Grahamstown, 32,000,000 cubic feet per year. The Port Elizabeth and Grahamstown plants together serve 3,500 customers and 80 industrial plants.

The Johannesburg plant also produces 25,000 tons of coke annually, and it operates four stills, which produce 7,600 gallons of benzol, tar oil, creosote, black varnish, and pitch each year. All of these products are absorbed in the local market.

Coal gas produced by the Johannesburg plant is piped through 410 miles of mains, serving 8,500 customers and 353 apartment buildings.

Trend of U. S. Employment



Full-Capacity Operation in Scottish Mines

Coal mines both in the Lothians and Fifeshire in Scotland are working at full capacity say reports, and supplies have been fully maintained for home trade as well as for industrial enterprises.

Technical difficulties threatening production have been overcome, and labor differences have been settled favorably, it is reported.

Construction

Iran's Longest Stretch of Road Building

The longest stretch of road reconstruction ever undertaken in Iran is now under way, according to the European press. The total distance to be covered is more than 2,000 miles. Completion of the project will facilitate the transport of war equipment and material to the Soviet Union.

Whole populations of villages are engaged on the work, and camps for the laborers have been built along the road, which passes from barren, muddy desert to snow-covered mountain passes.

Less Construction in Mexico's Capital

The number of building permits issued in the Federal District of Mexico during December 1941 declined rather sharply from the preceding month.

In December, 271 permits were issued for new construction projects, representing a value of 5,482,600 pesos, and 59 permits for remodeling and repair work representing 459,600 pesos.

Highway Progress in Nicaragua

The Inter-American Highway in Nicaragua will be completed on the basis that Nicaragua will assume one-third of the cost, while the remaining two-thirds will be borne by the United States under the Inter-American Highway Act of December 26, 1941.

The section of the highway from Managua, the capital of the country, north 65 miles to Sebaco and south 29 miles to Diriamba, has been largely completed by the Nicaraguan Government. Recent arrangements will permit the completion of this part of the highway, and its extension to the Honduran and Costa Rican frontiers, involving about 175 miles of construction.

Agreements have been reached regarding the cooperation of the United States in the construction of a highway which will join the Atlantic and Pacific sections of Nicaragua and have a significant bearing on the defense of this highly important area.

Electrical Machinery and Equipment

Argentine Industry Broadens Scope

The electrical manufacturing industry in Argentina has increased its output and also widened its range of production during the past 3 years, according to the South American press. Transformers both for power stations and for general industrial use, as well as certain types for wireless transmission purposes, are now being manufactured.

New "Hydro" Plants Planned for Sweden

Construction of a hydroelectric power station on the Leringsforsen rapids in the Province of Medelpad has been recommended by Sweden's Royal Board of Waterfalls. The new plant will have a capacity of about 7,000 kilowatts and, according to estimates, will cost 2,750,000 crowns (approximately $654,300).

Consideration is also being given to the construction of another power station with a capacity of 20,000 to 25,000 kilowatts which could be connected with the existing system.

Foodstuffs and Allied Products

Billion Mark Passed in Purchases for Lend-Lease and Related Purposes

Purchases of farm products for Lend-Lease and other requirements have passed the billion dollar mark, the Department of Agriculture reports. The Agricultural Marketing Administration started buying under this program on March 15, 1941, and through April 22, 1942, purchases totaled $1,010,000,000.

The announcement that purchases have exceeded a billion dollars comes just a year from the date of first delivery of food products to representatives of the United Nations.

Dairy and egg products led the field, accounting for $377,000,000. Meat products were next in value, amounting to $310,000,000, followed by fruits and vegetables, $75,500,000. Purchases of grain products totaled $26,400,000; fish, $24,000,000; vitamin concentrates $4,300,000; and miscellaneous foodstuffs $28,400,000.

of farm commodities, other than foods, purchases amounted to $17,700,000. In addition the AMA bought corn, cotton, gum rosin, wheat and tobacco from the Commodity Credit Corporation to the amount of $146,700,000.

These supplies can be used for domestic distribution to public aid families and for free school lunches, to meet requirements of the Red Cross, for shipment under terms of the Lend-Lease Act or other special programs, or for stabilization reserves.

Coffee and Cocoa

Quota Coffee Authorized for Entry for Consumption

The Bureau of Customs announced on May 5, 1942, preliminary figures showing the quantities of coffee authorized for entry for consumption under the quotas for the twelve months commencing October 1, 1941, provided for in the Inter-American Coffee Agreement, proclaimed by the President on April 15, 1941, as follows:

Country of production	Quota quantity [1]	Authorized for entry for consumption	
		As of (date)	Pounds
Signatory countries:	*Pounds*		
Brazil	1,401,426,521	Apr. 25, 1942	691,351,585
Colombia	475,086,450	do	262,911,533
Costa Rica	30,144,642	May 2, 1942 [2]	28,791,839
Cuba	12,109,603	Apr. 25, 1942	2,817,231
Dominican Republic	18,098,664	[3]	
Ecuador	22,634,408	Apr. 25, 1942	17,910,857
El Salvador	96,657,909	do	53,718,930
Guatemala	80,715,477	do	59,842,922
Haiti	41,436,647	May 2, 1942 [2]	37,714,628
Honduras	3,287,588	Apr. 25, 1942	1,316,027
Mexico	74,966,100	do	26,207,451
Nicaragua	32,078,385	do	16,066,927
Peru	3,767,088	May 2, 1942 [2]	3,111,658
Venezuela	38,094,430	Apr. 25, 1942	30,293,877
Nonsignatory countries:			
British Empire, except Aden and Canada	17,674,322	[3]	
Kingdom of the Netherlands and its possessions	19,669,574	Apr. 25, 1942	13,086,302
Aden, Yemen, and Saudi Arabia	3,872,909	do	875,809
Other countries not signatories of the Inter-American Coffee Agreement	12,276,800	[4]	

[1] Quotas revised effective Feb. 26, 1942. [2] Per telegraphic reports. [3] Import quota filled.

Brazil's Cocoa Crop—Bahia's Shipments

Exporters estimate that the annual crop of cocoa beans for 1941–2 will be about 2,200,000 bags of 60 kilograms each. Exports from the State of Bahia have been as follows:

Destination	March—	
	1941	1942
	Bags of 60 kilograms	
United States	99,318	36,300
U. S. S. R.	53,332	
Sweden	15,000	
Argentina	10,050	13,333
Uruguay	1,950	200
Colombia	700	
Chile	1,000	2,470
Switzerland		23,897
South Africa		417
Brazil (other States)	2,700	1,350
Total	184,050	77,967

The following table gives arrivals and exports in March, and stocks on hand at the end of March, from the Port of Bahia, for the past 3 years:

Item	March—		
	1940	1941	1942
	Bags of 60 kilograms	*Bags of 60 kilograms*	*Bags of 60 kilograms*
Arrivals	51,569	54,429	64,184
Exports	78,180	184,050	77,967
Stocks	95,311	69,369	197,315

Venezuela's Cocoa Exports Score Big Advance

The cocoa market has been favorable under the influence of war period demand. Latest available export statistics for January show that from the three principal ports involved, shipments amounted to some 966,000 kilograms, which is a heavy advance over the corresponding month of the preceding year when the total was 542,000 kilograms.

It is as yet too early to determine whether this better January trade represents a distinctly favorable trend, but it is interesting in the light of the export movement which has taken place during recent years. Preliminary figures which have been made available for the full year 1941 show the total exports to have been at the lowest level since 1938. The following table shows exports for 1938 to 1941:

Year	Kilograms
1938	20,602,000
1939	15,378,000
1940	15,267,000
1941 (preliminary)	12,290,000

Dairy Products

Ireland's Butter Situation

Production of creamery butter for the year ended March 31, 1942, is expected to reach 662,000 hundredweights, or about 4,000 hundredweights more than the previous year says a recent statement of the Minister for Agriculture. Stocks on hand in all public cold storage houses and held by merchants and manufacturers on February 28, 1942, totaled 53,398 hundredweights (hundredweight equals 112 pounds) compared with 73,990 hundredweights on February 15. During the period February 15 to 28, 16,077 hundredweights of butter were withdrawn from storage.

Fish and Products

Newfoundland Fishery Outlook Occasioning Anxiety

Business interests are concerned over the fisheries outlook. The prevalence of construction work for an indefinite period, with steady wages, has proved more attractive than the uncertainties and hazards of fishing, and it is very difficult to find men to man the ships.

Fish stocks have been disposed of except those reserved for the Puerto Rican and West Indian markets which move on a monthly basis. Portuguese interests have endeavored to obtain large quantities of salt cod and are willing to pay higher than current prices, but the Fisheries Board has refused to relinquish reserved stocks.

An increased market in the United States for Newfoundland herring has been created by the recent customs decision of the United States Treasury reclassifying herring milt and roe from 20 cents a pound to 10 percent ad valorem. These products are used to make a sauce for herring. The new herring factory at Bay of Islands has been completed and is handling upwards of 500 barrels each 24-hour period. This factory, opened in the middle of March, has since been operating at capacity.

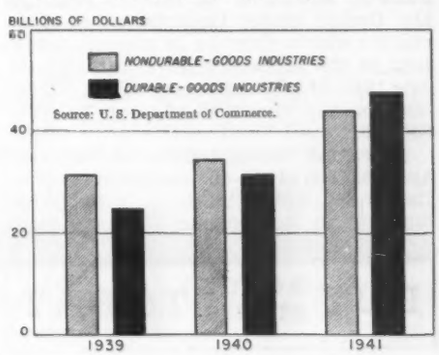
Fruits and Vegetables

Expanded Scope of U. S. Army Buying

The Army is now buying canned fruits and vegetables for the Navy, Marine Corps, Veterans' Administration, Lease-Lend and Treasury Procurement, in addition to the Army, the War Department announced on May 5. The new purchasing procedure which will continue for the balance of the year was set up under a War Production Board allocation to insure that all Federal agencies taking a vital part in the war effort would be able at all times to obtain the high quality canned foods. The plan is advantageous to the canner also, for he now is able to learn whether his goods meet Army specifications long before he contracts for delivery.

A commercial canner is required, under the plan, to set aside a specified percentage of his total pack for Government use. After he has completed any part of his pack, an Army Quartermaster Corps purchasing agent visits his plant and negotiates directly with him with the

Value of Manufacturers' Shipments, United States



idea of purchasing the Government's portion of the available goods. An expert from the Agricultural Marketing Administration then grades the goods and earmarks those to be purchased. Finally the Quartermaster Corps purchasing and contracting officers located nearest the canner (either in Jersey City, Chicago, or San Francisco) complete the contract either by arranging with the canner for temporary storage in his warehouse or by giving him shipping instructions.

When buying for other Government agencies the Quartermaster Corps assigns the contract to the agency concerned, which arranges to make payment to the contractors. The "pooling" procedure involved in the procurement of canned fruits and vegetables under the administration of a central buying agency is expected to be followed within the near future in the purchase of other vitally needed war supplies.

New OPA Order Affects Canners

Packers of canned fruits and vegetables were advised May 9 by the Office of Price Administration that the amount of corn sirup or dextrose used in canning or packing must be computed as part of the maximum amount of sugar per unit allotted any product under rationing regulations.

Many packers were apparently under the mistaken impression that dextrose or corn sirup could be used in the pack to make up the differences between last year's sugar usage and this year's limited allotments. This definitely is not the case, says the OPA.

Rationing Order No. 3, section 1407.89c, provides that in determining the quantity of sugar used for the packing or processing of canned fruits and vegetables, there shall be included all dextrose and corn sirup used for such product on the basis of 1.2 pounds of dextrose or 1.4 pounds of corn sirup as the equivalent of 1 pound of sugar.

Costa Rica's Banana Exports

Banana shipments from Costa Rica during the quarter ended March 31, 1942, amounted to 470,430 stems. Shipments during the same period of 1941: 722,711 stems. Thus the 1942 production represented a decrease of 252,281 stems.

Grain and Products

Corn Situation in Argentina

For the third year in succession, Argentina is harvesting another large corn crop, officially estimated at 362,000,000 bushels, according to reports reaching the United States Department of Agriculture which show an 18 percent reduction in the acreage planted for 1941–42. The 1940–41 crop amounted to 403,000,000 bushels and the 1939–40 crop to 408,000,000.

Argentine corn exports during the April–March (1941–42) marketing season, just ended, amounted to only 13,000,000 bushels, in consequence of conditions arising from the war. During 1940–41 exports totaled more than 60,000,000 bushels. Average exports for the four seasons ending with 1938–39 were about 218,000,000 bushels annually. With large crops and declining markets abroad, Argentina's most valuable export grain has become a serious problem. Carry-over stocks on April 1, 1942, were estimated at about 319,000,000 bushels, and, with the new harvest, total supplies will reach a record high of nearly 682,000,000 bushels.

Various measures have been undertaken to increase domestic utilization, but, unless such local consumption is considerably above average, it appears likely that another large surplus of corn will be carried over next season, as little improvement can be expected in the export movement under existing conditions. During the past season, old-crop corn suffered considerable deterioration because of inadequate storage facilities. Considerable quantities were destroyed by the Government, and this may occur again this year.

A campaign to dispose of stocks from last season's (1940–41) crop was inaugurated by the Government in February 1941, with a Nation-wide broadcast. It was pointed out at that time that the Grain Board had purchased 211,000,000 bushels of the 1939–40 harvest at a cost of $58,000,000 and that the loss on such purchases amounted to $48,000,000. Receipts from sales amounted to only $10,000,000.

To dispose of the 319,000,000-bushel surplus still remaining from the 1940–41 crop, of which Government-owned stocks are said to total 256,000,000 bushels, the principal appeal is being made to the farmers themselves. Livestock men—particularly farmers raising hogs—have been urged to feed their animals more corn and to give increased attention to livestock products, prices of which have reached almost unprecedented levels.

The use of corn for fuel is reported to have been increased by the shortage of imported coal and oil. As a further step to encourage domestic utilization, the Government has authorized the National Grain and Elevator Commission to mill about 4,000,000 bushels of corn into flour. This will be marketed through retailers at low prices in the hope that a demand will thus be created for additional amounts to be milled in the future.

Dutch Don't Like Meat of Bomb-Killed Sharks

In the Nazi-occupied Netherlands—say reports reaching the Netherlands authorities in exile—food is the reverse of plentiful. Most Netherlanders have a difficult time getting together a meal that is both nutritous and appetizing. The list of unrationed foods is today pathetically small.

The other day, the Nazi administration announced that it had added "smoked shark's meat" to the list of foods that may be "freely obtained." But, reportedly, this delicacy is not particularly appreciated by the Dutch, whose country has always enjoyed a world-wide reputation as a region of superlatively fine edibles. "Awfully coarse, and tastes too 'fishy' " is the Dutch verdict on the shark's meat.

How did shark's meat suddenly come to be so abundant? The accelerated tempo of fierce fighting in the waters of the North Sea is responsible. Large numbers of sharks, it is stated, have been killed by the concussion of exploding mines and by bombs rained down from aircraft. Their bodies have been washed ashore. The exponents of the "New Order" have been taking advantage of this situation (with typical "efficiency") to augment the shrinking larder of a nation under Nazi rule.

Meats and Products

Denmark Eats More Rabbits

World War II has given the rabbit a prominent place on the Danish bill of fare. Before the war, according to the Danish press, 24,000 rabbit breeders kept about 240,000 animals; now, it is estimated that 100,000 breeders maintain a stock of more than 1,000,000 of these animals.

In many places empty chicken coops and pigsties have been rebuilt into rabbit hutches. The cooperative slaughterhouse in one city in Denmark operates a special section for processing rabbits.

Spices

Deliveries of Principal Imported Spices Placed on Monthly Quota Basis

The WPB May 8 placed restrictions on the distribution of black and white pepper, pimento (allspice), cassia (cinnamon), cloves, ginger, nutmeg, and mace.

Such spices are the principal imported seasoning commodities used by United States industry and consumers.

The order places a quota on the amount of each spice a packer may deliver monthly, and on the amount an industrial or wholesale receiver may accept.

Hardware (Plumbing and Heating)

Situation in Colombia

Hardware sales are good, and prices are rising in Barranquilla. Stocks are declining, however, and dealers say they are having difficulty in obtaining supplies.

Gas Appliances in South Africa

Approximately 75 percent of the gas appliances and hot-water heaters sold in the Union of South Africa are of British manufacture, say members of the trade. United States participation is

BUY BONDS STAMPS TODAY

confined largely to Johannesburg, where both gas and electrical appliances are sold by the municipality under the hire-purchase system. It is estimated that 13,000 gas cooking stoves and 1,200 hot-water heaters are now in use in Johannesburg.

Capetown, Port Elizabeth, and Grahamstown, the only other municipalities in the Union of South Africa to which cooking and heating gas is available, are supplied with appliances by privately owned British plants.

Gas appliances are not classified separately in South African statistics, but it is estimated that, with the exception of imports from Sweden (chiefly Primus oil stoves), most of the imports shown by value in the following table were gas stoves:

Country	1938	1939	1940[1]
United Kingdom	£151,057	£125,054	£123,200
Canada	21,797	43,090	21,700
Sweden	32,602	40,547	21,750
United States	24,755	30,126	26,600
Total (including all others)	246,795	250,878	194,600

[1] Estimated.

The sale of gas appliances has been curtailed during the past year by shipping difficulties and by import and export restrictions.

Iron and Steel

New Process in Norway

Revival of the Norwegian iron industry and production of a superior quality of electro-steel at the lowest cost in Europe are expected to result from the new pressure-reduction process developed in Norway, according to the Norwegian press.

Spain's Output

Output of iron and steel in Spain during the first 10 months of 1941 is reported by the European press as follows:

Item	January–October 1941
	Metric tons
Iron ore	1,351,999
Pig iron	386,702
Ferromanganese	4,673
Raw steel	463,543

Swedish Research Yields Notable Results

At least half the research presently conducted by the Swedish Ironmasters' Association, in cooperation with mine owners and iron and steel mills, is concerned with problems created by the current exceptional requirements of the iron and steel trade.

Among results obtained are the development of a decarbonization process in steel making—the dry decarbonization of granulated pig iron—a reduction in consumption of fuel by blast furnaces—improved quality of ingots of rimmed steel—saving in operating costs at mines adopting high-pressure drilling — and favorable results from tests of explosives.

Leather and Products

Mexico's Hide and Skin Production

There were 193,296 cattle hides produced in Mexico in January, the trade estimated, of which 55 percent were steer hides, 40 percent cowhides, and 5 percent oxhides.

Goat- and kid-skin stocks at the end of January were variously estimated at 40,000 to 50,000 pieces; output was 80 percent goat and 20 percent kid.

January production and month-end stocks are shown in the following table:

Item	Production	Month-end stocks
Cattle hides	193,296	40,000
Calfskins	3,000	----------
Goat and kid skins	127,040	40,000
Sheep and lamb skins	54,426	----------

Tanneries in South Africa Branching Out

South African tanneries may take up the manufacture of glue and gelatin from waste products of tanneries and abattoirs. A large supply of the waste products needed is available in the Union annually. The manufacture of glue, gelatin, and fleshing grease from hide trimmings and fleshings is an industrial process which does not require an extensive plant and which utilizes unskilled labor.

Shoe Output in United Kingdom

Current British leather-footwear production for domestic nonmilitary use is estimated at about half the pre-war level of 120,000,000 pairs annually, or not exceeding 60,000,000 pairs, regardless of price. In 1940 the British output of shoes for the civilian home trade was 93,000,000 pairs.

The upward trend of prices, it is said, may further depress physical quantities of 1942 foot wear production, as quotas are calculated not on a unit but a price basis.

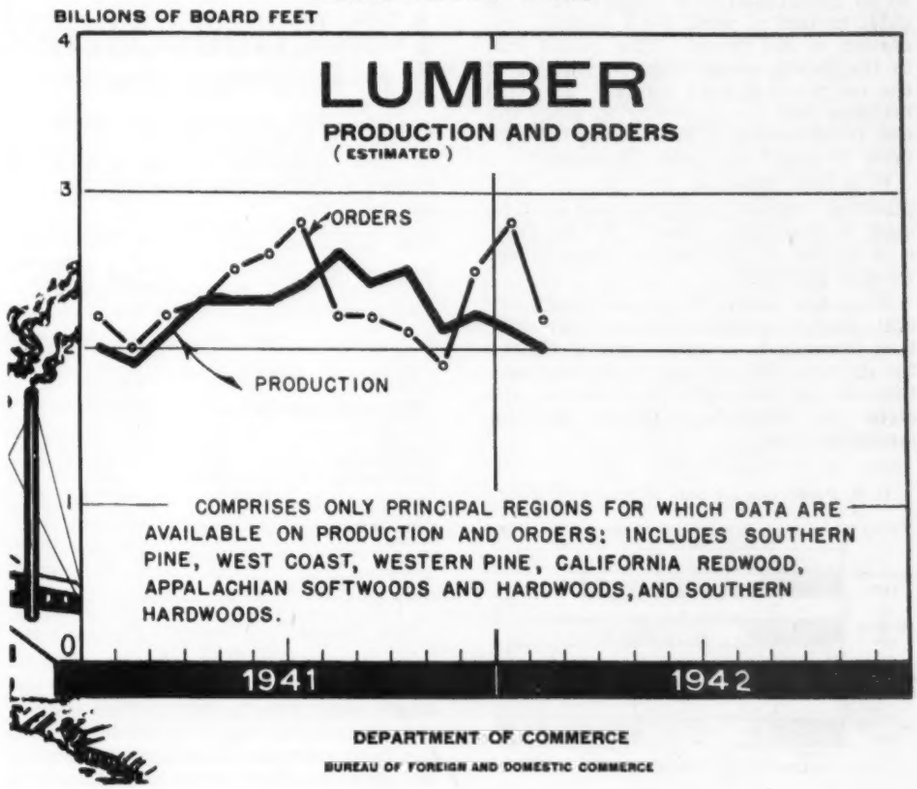
Lumber and Products

Argentina Markets

Argentina purchased approximately 215,000,000 board feet of softwood lumber in 1941. The higher cost of southern yellow pine, caused by an increase in the exchange rate, has led to the substitution of other softwoods. Local hardwoods are now being used instead of southern yellow pine to an increasing extent for parquet flooring.

There was little change in the quantity of Douglas-fir consumed in 1941 compared with 1940. Imports were 10,000,000 feet below the 1939 figure and 7,000,000 feet below the high 1937 figure. There was a strong demand for Douglas fir plywood in Argentina in 1941, because of the shortage of supplies from Europe. Some plywood, however, was received direct from Scandinavian countries in 1941. Argentina obtains oak staves from the United States for tight casks for packing tallow but is now making wine casks from local hardwoods.

Trends in U. S. Lumber Industry



Machinery Other Than Electrical

"Mechanize Milking" Is Nazi Purpose

Milking machines are being used as extensively as possible in Germany in an effort to facilitate milk production, according to the European press. Mechanization of this branch of farm work has been found particularly valuable because mutual assistance among farmers is much less practicable in dairying than in the fields. Approximately 6,000 milking machines have been installed, in spite of manufacturing difficulties, and the present agricultural program calls for an additional 20,000.

Germany's Gas-Producer Unit for Tractors

A standard type of gas-producer unit for use in farm tractors has been developed in Germany, according to a statement made recently by the Reich Board of Agricultural Technique. Manufacturers are now ready to start producing the new unit, which will be made in four sizes, and it is expected that the output by the middle of 1942 will be substantial. The gas-producer tractor will be considerably more expensive than the liquid-fuel type, but the Government will assist purchasers with subsidies.

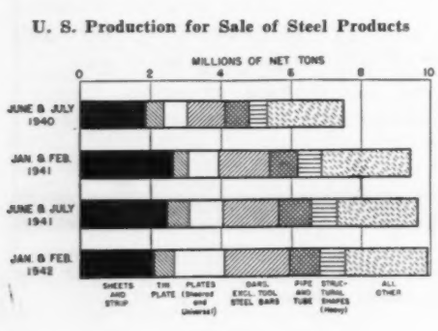
In a further effort to conserve liquid fuel for military purposes, the approximately 120,000 tractors now in operation will be equipped with gas-producer units as rapidly as possible.

The average gas-producer unit of 25 to 50 horsepower will require 22 to 24 cubic meters of wood for a season's operation of 800 hours. This means that in the Reich, where only 30 percent of the cut wood is used for fuel, 25 to 30 hectares will be necessary to meet the fuel requirements of one tractor (30 hectares is equal to about 75 acres).

It is not intended that all the gas-producer tractors manufactured shall be used in Germany. Many will be sent, it is stated, to the eastern areas where wood is plentiful.

Since the operation of gas-producer-unit tractors requires mechanical skill, it is planned to organize special classes for drivers. In addition, the new tractors will be concentrated in certain regions to facilitate servicing by the manufacturers.

U. S. Production for Sale of Steel Products



Britain Tries "De-Tinning" Old Cans

Possibilities for recovering a potential 2,000 tons of tin yearly from tin cans—provided the need for tin is sufficiently urgent and assistance is given in furnishing an adequate supply of cans—are discussed in an article appearing in the British press.

De-tinning is carried on in England by electro-chemical processes using caustic soda as the electrolyte, tin being recovered in the form of sodium stannate. Economical de-tinning depends upon price paid for the old cans, cost of transportation, and price received for the resulting steel scrap.

Uneconomical in normal times, recovery of tin from old tin cans could be attempted only in highly populated areas where there is a steady source of supply, it is stated. As ironmasters are able to pay higher prices for tin cans than detinners, some provision would need to be made for the acquisition of the cans. For de-tinning, cans should be delivered free from dirt and uncrushed.

While old tin cans have been detinned in London and to a limited extent in several other parts of the country, the tin cans usually go to blast furnaces. With tin recovery from old cans ranging from ¾ to 1 percent, costs at present exceed the value of tin recovered.

Nonferrous Metals

Production in Mexico

Production of nonferrous metals in Mexico in 1940 and the first 6 months of 1941, according to the Boletín de Minas y Petroleo, is shown in the following table:

Item		1940	January–June 1941
Gold	troy ounces	883,096	431,903
Silver	do	82,638,167	41,863,383
Copper	short tons	41,450	27,936
Lead	do	216,333	92,525
Zinc	do	126,717	56,644
Antimony	do	13,523	5,807
Graphite	do	13,588	9,047
Arsenic	do	10,216	6,973
Molybdenum	do	568	374
Tungsten	do	114	4
Mercury	76-pound flasks	11,655	14,230
Cadmium	pounds	1,798,693	646,239
Vanadium	do	125,601	
Bismuth	do	408,880	140,736
Tin	long tons	345	115
Manganese	do	302	191

New Zealand's Tungsten Production Stepped Up

Emphasis has been placed on the urgent necessity for accelerated production of tungsten ores, and a splendid response has been received to an appeal made by the New Zealand Minister of Mines to miners and truckers willing to go to Glenorchy field (Otago).

The Government is to participate in production and has ordered a 6-day work week with the introduction of double shifts in Government properties as rapidly as possible. All reasonable financial assistance will be rendered by the Government to private enterprise engaged in scheelite mining.

Roads have been extended to facilitate transportation of ore to treatment plants.

Mica in New Zealand

Preliminary geological examination appears to warrant a detailed survey of mica deposits at South Westland, which cover an area of 89 square miles at elevations of 4,000 and 5,000 feet on the crest of the Mataketake Range.

Portugal's New Measures Regarding Wolfram

To discourage widespread search for wolfram and abuses resulting therefrom in Portugal, provision has been made for the sale of wolfram at fixed prices to a Government commission. Sales are to be made only by mines in actual production, and the wolfram is to be prepared for marketing.

It is probable that some, if not all, of the wolfram obtained by the commission will be used for barter—an advertisement having appeared in the press announcing an opportunity to import laminated iron and inviting industrialists to advise the commission of their needs. The source of sheet iron to be exchanged for the much-sought wolfram is not announced.

Spain's Altered Position

In a report on production of nonferrous metals in Spain, the European press indicates that, with copper production considerably less than annual consumption, none is available for export. Restricted output of zinc and lead ores also leaves little to spare.

Included among ores, metals, and alloys produced during the first 10 months of 1941 were:

Item	January to October 1941
	Metric tons
Ferrosilicon	1,502
Siliconmanganese	355
Zinc ore	60,933
Metallic zinc	10,381
Copper ore	103,866
Black copper	803
Blister copper	2,606
Refined copper	4,148
Copper precipitate	4,914
Manganese ore	7,277
Tungsten ore	372
Tin ore	173
Metallic tin	51
Lead ore	35,372
Metallic lead	23,295
Silver metal	3,389
Granulated silver	[1] 3,454

[1] Kilograms.

Oils and Oilseeds

Vegetable-Oil Materials Used by U. S.

The following table presents recent pertinent figures with respect to raw ma-

terials used in the manufacture of vegetable oils in the United States:

Kind	Consumed, quarter ended Mar. 31—		On hand Mar. 31—	
	1941	1942	1941	1942
	Tons of 2,000 pounds	*Tons of 2,000 pounds*	*Tons of 2,000 pounds*	*Tons of 2,000 pounds*
Cottonseed	1,390,857	1,203,795	617,626	503,052
Peanuts	(1)	(1)	(1)	(1)
Copra	69,423	36,158	34,851	(2)
Corn germs	63,879	94,058	560	426
Olives	27,744	19,414	25	
Flaxseed	286,317	375,888	116,473	237,347
Castor beans	34,046	56,576	26,863	46,564
Soybeans	524,841	615,006	315,626	597,208
Tung nuts	3,244	4,809	2,865	1,376
Other kinds	19,702	16,548	4,822	10,407

[1] Not available.
[2] Included in "Other kinds."

Source: Bureau of the Census.

South Africa's New Tung-Oil Industry

Tung oil is becoming the basis of a new South African industry. Cultivation of the tree from which the oil is produced is reported to have passed the experimental stage, and the Union now has about 60,000 tung trees.

Tung seed was imported into South Africa in 1923 when the Department of Agriculture began its experiments. In 1928 more seed was imported and trial plantings were established in the eastern Transvaal, Natal, Swaziland, and other areas. Imports of seed continued and now there are many plantings of more than 2,000 trees each.

Because of high prices received for the oil, many farmers have become interested in the cultivation of the trees. It is believed that certain areas, chiefly in the Transvaal and Natal, may prove especially suitable for the commercial production of this crop.

A horticultural station working on tung-nut research has estimated the average yield per acre per annum, based on a 20-year period, at 581 pounds per acre (70 trees per acre).

Paper and Products

British Columbia's Pulp and Paper Output Up

A decided increase in British Columbia's pulp and paper output is revealed by 1941 production figures recently released by the Provincial government.

During the year, a total of 276,000 tons of newsprint was produced, together with an additional 75,453 tons of wrapping and other paper. The complete total of all varieties of paper produced for the year is 351,453 tons.

Pulp shipped out of British Columbia during the same year totaled 172,811 tons. In addition, 322,000 tons of pulp were manufactured into paper within the Province.

South African Pulp Production

Production of pulp for fine white papers, a new industry in South Africa, approached 14,000 tons in 1941, or more than half the normal requirements of 25,000 tons annually. The production figure includes pulp destined for paper used by both military and civil services.

Raw materials are accessible locally—pine from western Transvaal, wattle from western Transvaal and northern Natal, and wheat straw from Transvaal and northern Orange Free State. Raw materials consumed annually include 20,000 tons of wheat straw and about 8,000 tons of wood.

Paper Industry in United Kingdom

Handicapped by export-import difficulties and all the dislocations of shortages in materials and losses of markets, the British paper-making industry still produced a large tonnage in 1941, say reports of the Paper Makers' Association.

Converting every available type of fibrous material to its use, the industry turned to bagging, sisal, jute, bracken, reeds, wood waste, and sawdust to replace short supplies. Since rigid control was placed over imported wood pulp, the mass of raw materials has been obtained from waste paper and board, straw, and rags.

Passage of the Lend-Lease Act resulted in a diminishing export trade, and in the last quarter of 1941 only token exports of high-priced qualities were being made to Dominion markets and to Crown colonies, largely for government use and for munitions industries.

Publicity given to waste collections in Great Britain brought general realization to the public that paper and board are essential war materials, and industry representatives expressed hope that such realization would result in more favorable government control.

One request particularly made by the industry was allotment of available shipping space to imports of wood pulp and pulpwood. Viewed with disfavor was the current practice of giving such space to paper and board, both of which it was pointed out, can be made more economically in Great Britain.

"Oil Hunger" in Naziland Intensified

The unrelenting German search for petroleum is indicated by recent formation of companies in Austria, Hungary, and the old Reich itself, to prospect for land to produce oils, natural gas, butane, propane, and their derivatives, according to the European press.

A new company organized by existing companies in the field will undertake prospecting and production of oil in the Province of Niederdonau (Lower Danube) in Austria, European press reports indicate. The organizing companies already are active in the Rumanian oil industry and have engaged in active exploration in Hungary. Capitalization of the new concern is fixed at 1,000,000 marks.

Additional activity appears in formation of a new company to act as selling and distribution agent for the Propane Syndicate. The company will dispose of butane, propane, and the various mixtures of the two gases—largely for motor fuel, but also for various industrial uses. Among the latter is the manufacture of synthetic rubber.

Total output of both propane and butane has increased rapidly in recent years, it is said, in accordance with expansions in the coal-oil industry. Originally considered byproducts, the two gases have gained great importance in their liquid forms. They are used directly for motor engines, especially for cold-weather starting.

Petroleum and Products

Belgium's Acute Fuel Shortage

The liquid-fuel shortage in Belgium has converted 15 percent of the country's motor vehicles to producer-gas operation, say press reports. The remaining 85 percent are still operating on liquid fuels.

However, a more accurate picture is obtained of Belgium's fuel shortage from figures which show that only 44,797 motor vehicles were operating in the entire country at the end of 1941, of which 20,878 were motor trucks. In 1937 Belgium had 202,000 motor vehicles in operation, including 74,000 motor trucks.

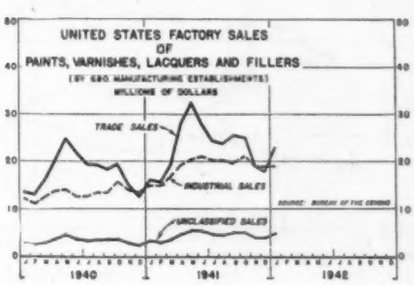
The figures disclose that Belgium's motor traffic declined 75 percent by the end of 1941. In exact numbers, 6,023 vehicles have been fitted with producer-gas units, it is stated.

Curbs on "Gas" Sales in Cuba

Gasoline stations in Cuba will serve only the following classes of vehicles up to noon of each day: Public-service vehicles, taxis, industrial, commercial, and agricultural vehicles. Private and official cars can only be serviced from noon.

Stations are to serve only their regular customers, and Habana doctors are allotted a special station at San Lazaro 62 which is to be used exclusively by them. They may use no other station.

The only Government cars excepted from withdrawal and storage are those of cabinet ministers, subsecretaries of such ministers, foreign diplomatic and consular corps, hospital and other sanitary services, and chief engineers of each Province.



Rigid rationing and curtailment of gasoline, oil, and tires has been in effect in Cuba since the middle of April, and a number of Government automobiles have been withdrawn from use and stored indefinitely.

Grave Exigency in France

The French position in regard to motor fuels and oils for 1942 is extremely serious, according to European press reports—and little prospect is foreseen that substitutes will provide more than a fraction of necessary supplies.

Substitutes being developed, or in prospect, include producer gas, alcohol, synthetic fuels and lubricants, benzol, coal gas, and electricity; but supplies of all substitutes are limited.

Normal French consumption of both gasoline and gas oil for civilian motor traffic before the war was 213,000 metric tons and 130,000 metric tons per month, respectively. After the country's collapse in 1940, a general survey showed only 250,000 metric tons of gasoline and 150,000 tons of gas oil available—little more than a month's normal supply.

Necessary restrictions in September and October 1940 curtailed supplies to 15,000 metric tons of gasoline for motorists, both private and commercial. Producer-gas development subsequently was more rapid than before the war, present figures showing utilization of 432,000 metric tons of wood and charcoal per year, corresponding to 216,000 metric tons of gasoline per year.

Although the total mobile gas-producer plants in operation is expected to be nearly 20,000 when mass production is reached, Germany has been requisitioning such plants as fast as they can be seized. France, however, hopes to develop stationary gas producers in order to achieve the equivalent of an additional 100,000 metric tons of gasoline per year. There were 43 such plants in operation January 1, 1942, and 100 are expected to be operating by June 1942.

Neither anthracite nor benzol offer encouraging results, the former being consumed at the rate of 5,000 metric tons per month and the latter making available only 5,000 metric tons per year for motor traffic, after having stood at more than 75,000 metric tons in 1937.

Alcohol production at present stands at 10,000 metric tons monthly, a figure far below 1937 consumption; and coal gas contributes the equivalent of 1,350 metric tons of gasoline per month, although a prospective 120 stations are expected to more than double production by the end of 1942. Coal-gas production is 123,609,780 cubic feet per month, and production is expected to be 282,500,000 per month.

Synthetic-fuel production reaches 25,000 to 35,000 metric tons per month, but production is expected to reach 83,000 metric tons (55,000 metric tons of gasoline and 28,000 metric tons of lubricating oil) by the end of 1942.

The lubricant problem is especially serious in France, say reports. Present production, based on anthracenic oils, does not seem satisfactory, and experiments are being carried on with mixtures of vegetable oils, castor oil, and a new oil from fir. The latter seems to be encouraging, especially for use by the Société Nationale des Chemin de Fer (railways).

Consumption of motor oils for motor traffic is estimated at 67,000 metric tons for 1942, of which 60 percent will be substitute oils.

"Brighten-the-Corner" Policy Stimulates Output

A British railway is doing another bit for victory by painting out the gloom of war from its workshops. Black-out conditions tend to make workshops gloomy and somber, but this railway has successfully brought a measure of cheer to its workers by whitewashing the walls of the shops, except a 5-foot black band at the bottom—and by painting steelwork in roofs and cranes a light stone color and machines and metal work a light buff. Through this treatment, brightness and increased visibility without intensification of the lighting are accomplished.

No Liquid Fuel for Sweden's Tractors

A scarcity of liquid fuels in Sweden is responsible for a recent announcement that after July 1, 1942, farm tractors will be denied any allotments. The ban applies to tractors in general, prohibiting entirely the use of imported fuels. Certain makes of tractors are also prohibited from using domestic fuels (spirits and wood tar).

Gas-producing units are to be installed on the tractors as far as possible, and the dwindling supplies of domestic fuels are to be reserved for those tractors less suitable to gas-producer installation. The announcement was made jointly by the State Fuel Commission and the State Food Commission.

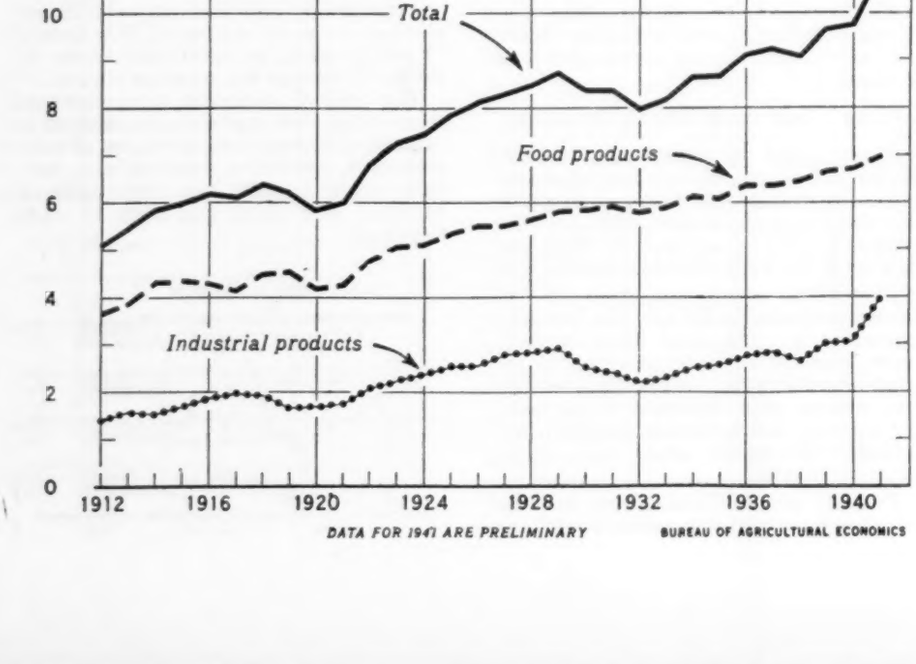
Problem of Substitutes Now Acute in Uruguay

Preliminary studies of possible substitutes for tanker-borne petroleum products are under way in Uruguay. Such substitutes reportedly include Paraguayan quebracho, Uruguayan eucalyptus, and Argentine corn.

Token rationing of gasoline has been in effect since October 1941, but it is probable that the rationing will have to be made more restrictive, and the use of petroleum products as sources of fuel and power will have to be cut down.

Imported coal is also on the list of commodities for which substitutes are being studied.

UTILIZATION OF FATS AND OILS (CRUDE BASIS) IN FOOD AND INDUSTRIAL PRODUCTS, UNITED STATES, 1912-41



Railway Equipment

Brazil Plans Vital New Link

The sinking of Brazilian ships has given a stimulus to railway building in Brazil, as interruption of sea communications means the isolation of part of the territory, notes the South American press.

A railway of 2,000 kilometers is to be built without delay between Victoria, in Espritu Santo, and Salvador (Bahia), connecting Rio de Janeiro, Sao Paulo, Recife (Pernambuco), and Natal. For the present, the value of the new line will be strategic rather than economic.

Mexico to Resume Construction on Southeast Line

The Government of Mexico has decided to continue construction work on the Ferrocarril Sud-Este (Southeast Railway) from Coatzacoalcos through the States of Tabasco, Chiapas, and Campeche to the

city of Campeche where it connects with the Yucatan Railway system.

Abandonment of the project was announced late in 1941, but that decision has now been reversed. The graded sections will reportedly be used as a highway until rails are available.

Rubber and Products

Denmark Resorts to "Ersatz"

The Danish rubber industry is adapting itself to the production of rubber substitutes, according to European press reports. Experiments with substitutes derived from limestone and coal have reportedly proved successful, though costs are expected to be high.

At present, local manufacturers are mixing the remaining supplies of crude rubber and quantities of German "Buna" substitute, and the resulting product is said to have excellent qualities.

Should the production of rubber substitutes be delayed, the Joint Organization of Motor-Car Owners has offered to undertake a voluntary collection of tires from the 120,000 private motor cars which are not now being operated, and to place these tires at the disposal of trucks and regular motor-coach traffic.

Nicaragua's Rubber

All exportable rubber produced in Nicaragua up to and including December 31, 1946, will be purchased by the Rubber Reserve Company, according to an agreement with the Republic of Nicaragua.

Action by Panama Bank

The Banco Agro-Pecuario of Panama has announced that it will not finance the gathering of rubber, but is prepared to purchase the gathered product for the United States Government as soon as a price is established.

Special Products

Big Drop in Cuba's Sponge Shipments

Exports of sponges from Cuba, one of the chief sponge-producing nations, decreased 79 percent in 1941, though the value decreased only 13 percent, compared with 1940. The highly augmented value of Cuban sponges was occasioned by the curtailment of exports from the Mediterranean area, scarcity in Cuba and Florida, and a temporary ban on sponge fishing in Nassau.

The striking decline in sponge exports resulted primarily from the prevalence of a disease in the sponge beds, already reflected in contracted exports in the last half of 1940. The disease apparently ran its natural course and disappeared during the latter part of 1941. It is expected that normal growing conditions will be regained in about 6 months, but past production levels may not be attained for at least another year.

Swiss Watch Business Active

The watch industry in Switzerland was active in 1941, despite the growing shortage of raw materials, increasing export difficulties, and scarcity of foreign tourists, the Swiss press reveals. The turn-over in the fine-watch industry was satisfactory, yielding a fair profit, and trade was brisk in both gold watches and jewelry. As formerly, the United States ranked first as an export market, followed by South America. In Europe the principal buyers were Germany and Italy.

Textiles and Related Products

Mounting Importance of Chile's Textile Industry

The textile industry, even though cotton must be imported, is now numbered among the three main divisions of manufacture in Chile. It is estimated that in 1940 this industry, exclusive of that handling jute, hemp, and similar fibers, had an invested capital of close to 750,000,000 pesos, employed more than 14,000 workers with an annual pay roll of more than 71,500,000 pesos, giving subsistence to not less than 50,000 persons. This pay roll has since been increased considerably—and it does not include the 1,040 white-collar employees with an annual pay roll of more than 16,500,000 pesos.

The woolen industry comprises 12 establishments with a capital of 251,000,000 pesos, employs 4,420 workers, and pays annual wages of more than 21,500,000 pesos.

According to the Corporation for the Development of Production, 95 percent of the yarns used in the woolen industry are spun locally from Chilean wool. This means that almost the entire wool clip of the central and south-central zones is absorbed by domestic spinning and weaving mills. Chilean cloth is said to be of pure wool, no substitute fibers being used.

Although the raw material must be imported, the cotton industry has grown appreciably. In 1940 the capital, exclusive of the knitting industry, was estimated to be 293,300,000 pesos. The number of mills grew from 16 in 1936 to 40 in 1940, employing 3,800 workers, with an annual pay roll of over 18,000,000 pesos.

The cotton industry is divided into two branches—that which spins raw cotton imported in bulk, and that which weaves, either from domestically spun yarns or from imported yarns. It is estimated that local spinners produce 50 percent of the cotton-yarn requirements.

Chile's weaving industry is said to supply 85 percent of the rayon and silk fabrics consumed in the country; 65 rayon-weaving establishments have an invested capital of 85,000,000 pesos and employ several thousand workers who earn annually over 13,500,000 pesos.

A rayon-yarn factory has recently begun operations and, it is hoped, will furnish a large part of Chile's requirements. At present the raw material (wood pulp) is imported, but the Corporation states that soon this will also be manufactured locally. The yarns produced at this factory are of the coarser deniers (sizes), and it will still be necessary to import fine rayon yarns.

The 120 knitting mills consuming yarns of cotton, wool, rayon, silk, and mixtures, have a total investment of 116,000,000 pesos, and provide work for 4,000 people whose total compensation annually exceeds 18,000,000 pesos. In addition, there are innumerable small producers, many of whom have only one or two machines installed in their homes, operated by members of their families.

Less than 50 years ago Chile was known as a nonmanufacturing country, but since then manufacturing has expanded so rapidly that it now engages about 22 percent of the working population. In 1903 industrial employees numbered about 30,000, compared with 300,000 today.

South African Developments

The Industrial Development Corporation, formed by the Government of the Union of South Africa in May 1940, with a capitalization of £5,000,000, has a stated objective to promote and facilitate the establishment of new industries and expansion of existing concerns. Accordingly, various schemes have been devised, but the Government appears willing to sponsor only those industries that give promise of eventual survival without heavy protection.

Spinning is confined to the production of the coarser yarns, mostly wool. In all there are 12 weaving plants producing blankets, rugs, kaffir sheeting, labels, canvas, and webbing. About 15 knitting mills are in operation, producing outerwear, underwear, bathing suits, socks, mutton cloth, cleaning cloths, and sweat rags, for the cheaper trade. Most weaving and knitting mills are working at capacity, although a shortage of supplies may curtail production.

Since the oubreak of the war, a cotton-spinning plant with 330 spindles has been installed. A new plant for weaving canvas and webbing began operations in 1940.

Mills have expressed an interest in obtaining supplies of cotton and wool weaving and knitting yarns from the United States. In normal times this interest is negligible because quotations from United States suppliers are not competitive. Replies to a questionnaire, however, indicated a desire to buy looms, as well as interlock and other knitting machines for hose and knit underwear.

There may be some development in the initial preparation of merino wools for manufacture, such as grading and washing, but near-term extensive operations are unlikely, as both skilled labor and markets are unobtainable.

United Kingdom Notes

More numerous inquiries indicate a renewal of interest in Scotland's jute trade; recent downward adjustments are thought to have made quotations attractive.

The Board of Trade and the jute industry are considering proposals for concentration of jute manufacturing, should

imports of raw materials be drastically curtailed.

Textile workers are being kept very busy on Government and export orders, with tweed mills reported fully occupied on the manufacture of utility cloth and Government work.

Autumn hosiery orders are being received from the United States much earlier than usual, but needs of the home retail trade are difficult to meet because supplies for utility hose are restricted by yarn quotas. However, the trade is much more fully engaged on Government work.

Textile Industry in Uruguay

Recently textiles have assumed a leading role in Uruguay's industrial activity. In February and early March, woolen mills operated 24 hours a day, and cotton mills employed two shifts of 8 hours each. This rate would have been increased to three 8-hour shifts had sufficient raw cotton been available.

One cotton-spinning mill increased its yarn production from 2,000 to 3,000 kilograms per day. Meanwhile domestic manufacturers had import competition, on a declining scale, from the United Kingdom and United States, but of increasing intensity from Brazil and Argentina.

Cotton and Products

Colombia's Satisfactory Yield

The cotton yield, though lower than a year earlier, is considered satisfactory in Colombia. Most of the domestic crop will be classed "strict middling" by United States standards, it is believed. The price continues to remain at the Government's fixed rate of 2.80 pesos ($1.60) per arroba (25.36 pounds) for grade 1; 2.70 pesos ($1.54) per arroba for grade 2; and 2.60 ($1.48) for grade 3.

Dry-goods merchants report that sales are good, though slightly below the average of a year ago. Except for khaki materials no difficulties have been experienced in obtaining textiles from the United States. Shipping space, however, has been tight at times.

Wool and Products

Situation in U. K. Industry

It is understood that large quantities of wool cloth originally intended for foreign markets are now on hand in the United Kingdom, and the Wool Control has requested exporters to furnish reports on such stocks. Some of these cloths may be suitable for alternative markets; or permission may be granted to offer them for sale at home.

Output of tops is maintained at full capacity. It is reported that the allotment of wool for sorting during April is about the same as for previous months.

Avenge

Pearl Harbor!

All types of rags are in constant demand at ceiling prices. Supply is not sufficient to meet demand, and no stocks are being accumulated. Mixed stockings, comforters, white flannels, serges, worsteds, and white knits are in particularly strong demand.

Inquiries for various types of wool yarns are numerous, but most mills have sold their output for several weeks in advance, and are not seeking new contracts.

New business in civilian cloths in irregular, but manufacturers can sell all they have to offer without difficulty. Orders for nonutility cloths are being placed on a provisional basis, due to difficulties about wool rations and delivery dates. Manufacturers are concentrating on production of Government uniform cloths and price-controlled utility fabrics.

Miscellaneous Fibers

Rug, Carpet Makers Allowed to Use up Jute Yarn on Hand

Restrictions of the United States Government's jute order (M–70) were relaxed by telegrams sent May 8 to permit rug and carpet manufacturers to use jute yarns on hand in the manufacture of rugs and carpets beyond the previous shut-off date.

The purpose of the relaxation is to make it possible for rug and carpet manufacturers to weave stocks of dyed wool carpet yarn to the extent that jute yarn is available.

Tobacco and Related Products

Cuban Exports

Total Cuban tobacco exports in March 1942 were valued at $1,708,620, compared with $1,071,978 in the preceding month and $1,194,602 in March 1941. Leaf-tobacco exports of 1,329,620 kilograms were 30 percent greater than the 1,021,097 kilograms exported in March 1941. While shipments of cigars showed an increase over the 2 preceding months of the year, the volume is still far below the March 1941 figure of 2,121,399 units. However, prices were higher, averaging $116.33 per thousand, compared with $77.05 in March 1941.

Details of Cuban tobacco exports in March 1941 and 1942 are shown in the following table:

Kind	March 1941		March 1942	
	Volume	Value	Volume	Value
Wrapper ..... kilograms	3,619	$11,925	30,185	$150,252
Filler ..... do	274,295	159,665	395,174	381,691
Scrap ..... do	138,645	75,111	260,201	148,085
Stemmed leaf ..... do	604,538	777,945	644,060	915,658
Total leaf ..... do	1,021,097	1,024,646	1,329,620	1,595,686
Cigars ..... number	2,121,399	163,453	809,947	94,221
Cigarettes ..... do	4,084,280	6,303	4,705,182	10,692
Smoking tobacco ..... kilograms	193	200	8,657	8,021
Total value manufacturers		169,956		112,934
Grand total value		1,194,602		1,708,620

Cuba's export trade with the United States in March 1942 was valued at $1,338,232, compared with $941,102 in March 1941, or approximately 78 percent of the value of total Cuban exports for the month. Shipments to the United States consisted of 28,502 kilograms of wrapper tobacco valued a $141,209; 129,071 kilograms of filler valued at $103,568; 636,287 kilograms of stemmed leaf valued at $38,809; 5,672 cigarettes valued scrap valued at $148,085; 332,035 cigars valued at $38,809; 5,672 cigarettes valued at $18; and 83 kilograms of smoking tobacco valued at $100.

Aside from heavy shipments to the United States in March 1942, there were unusually heavy shipments to Latin America and Canada. Three countries besides the United States imported wrapper tobacco in March, Canada being second with 774 kilograms, Jamaica third with 690, and Argentina fourth with 209 kilograms. In the market for filler, Argentina's imports of 228,145 kilograms topped those of the United States.

Canada was the only purchaser of stemmed leaf other than the United States, taking 7,773 kilograms. The United States, however, was the only purchaser of tobacco scrap. Spain, reappearing as an importer of Cuban tobacco, ranked ninth with purchases of cigars. As usual, Panama was the heaviest purchaser of cigarettes, followed by Peru. Greenland was the only buyer of smoking tobacco except for a negligible quantity taken by the United States.

Average prices obtained for the different categories of tobacco during March 1941 and 1942 are shown in the following table; it will be noted that in 1942 prices were distinctly higher for every kind of tobacco exported except smoking tobacco.

Kind	Mar. 1941	Mar. 1942
Wrapper per kilogram	$3.30	$4.98
Filler per kilogram	.58	.97
Stemmed leaf per kilogram	1.29	1.42
Scrap per kilogram	.54	.57
Cigars per 1,000	77.05	116.33
Cigarettes per 1,000	1.54	2.27
Smoking tobacco per kilogram	1.45	.93

Total Cuban tobacco exports for the first 3 months of 1942 showed a marked increase (18 percent) over the same

months in 1941. Leaf shipments improved 33 percent in volume and 22 percent in value over those of the 1941 period. All leaf items noted a gain, especially filler, except stemmed leaf, which declined slightly. Trade in cigarettes more than doubled; smoking tobacco gained materially; cigar exports alone decreased somewhat.

Cuban tobacco exports to all countries during the first 3 months of 1941 and 1942 were as follows:

Kind		First 3 months of 1941		First 3 months of 1942	
		Volume	Value	Volume	Value
Wrapper	Kilograms	62,082	$280,413	78,327	$350,319
Filler	do	709,179	456,957	1,371,247	705,715
Stemmed leaf	do	1,468,064	1,885,617	1,467,989	2,070,353
Scrap	do	372,886	201,234	569,570	323,664
Total leaf	do	2,612,211	2,824,221	3,487,133	3,450,051
Cigars	Number	3,826,301	298,886	2,040,916	208,960
Cigarettes	do	6,255,652	11,292	14,539,722	32,840
Smoking tobacco	Kilograms	437	502	13,322	13,143
Total value manufactures			310,680		254,943
Grand total value			3,134,901		3,704,994

During the first 3 months of 1942 the value of Cuban tobacco exports to the United States increased to $3,057,526, from $2,609,624 in the corresponding quarter of the preceding year. An improvement of 15 percent in volume and 18 percent in value was shown in leaf tobacco exports over the 1941 period trade. All leaf items increased, the largest gain occurring in scrap tobacco. Trade in cigarettes declined sharply; cigars and smoking tobacco decreased somewhat. Details of these shipments are shown in the tabulation below:

Kind		First 3 months of 1941		First 3 months of 1942	
		Volume	Value	Volume	Value
Wrapper	kilograms	60,181	$271,710	76,371	$338,373
Filler	do	199,686	200,397	273,889	265,163
Stemmed leaf	do	1,438,638	1,858,591	1,455,401	2,054,449
Scrap	do	370,488	200,634	568,589	322,323
Total leaf	do	2,068,993	2,531,332	2,374,250	2,980,308
Cigars	number	722,278	77,565	648,630	76,889
Cigarettes	do	194,920	471	38,912	168
Smoking tobacco	kilograms	214	256	123	161
Total value manufactures			78,292		77,218
Grand total value			2,609,624		3,057,526

Sales in Southern Rhodesia

Tobacco sales in Southern Rhodesia were promising at the opening of the 1942 season, which occurred early in April. Better grades of tobacco sold well, but the most marked price increases were in the lower grades. A total of 364,501 pounds was sold at the excellent average price of 21.38d. per pound (about 36 cents). The total crop is estimated at 45,000,000 pounds, compared with approximately 35,000,000 pounds last season.

News by Countries

(Continued from p. 23)

insulation of *transformers* has been included within the raw-materials section of the Uruguayan tariff, dutiable at 10 percent plus a surtatx of 16 percent of a fixed official customs valuation of 0.24 peso per kilogram, by a resolution of February 20, 1942, published in the Diario Oficial, March 4, 1942.

[*Paraffin* in general was heretofore dutiable at 48 percent, plus a surtax of 21 percent of a fixed official customs valuation of 0.20 peso per kilogram.]

Yarns: Factory Control Mark Requirement Suspended.—The requirement that all *yarns* cleared through Uruguayan customs must bear a factory control mark, which was effected by a decree of January 24, 1941, has been suspended until further notice by a decree dated April 17, 1942, and published in the Diario Oficial of April 25, 1942.

Horses: Export Prohibited.—Because of the increasingly difficult transportation situation and the present scarcity of *horses*, the export of these animals across Uruguayan frontiers is prohibited. *Race horses* and *polo ponies* are exempted from this prohibition.

Venezuela

Tariffs and Trade Controls

Customs Duties Lowered on Crown Pressure Caps Made of Metal.—By a resolution of May 4, 1942, the Ministry of Finance of Venezuela reduced the import duty on tariff item No. 317–A, *crown pressure caps* of *metal*, from 2.00 bolivares to 0.24 bolivar per gross kilogram. The duty classification of this item was lowered from class 6 to class 3. Class 3 provides a tax of 0.20 bolivar per gross kilogram, and for this particular item an additional tax of 20 percent specific is added, bringing the total impost to the 0.24 bolivar indicated.

United States Looks South for Drug Supplies

The United States is looking south in the American Hemisphere for new sources of drugs to replace supplies formerly obtained from the Far East and Europe.

Dr. William Bonisteel, Fordham University, New York, an authority on drugs, has been requested by the United States Government to make a survey of possibilities of increasing drug production in the Caribbean islands.

This survey is expected to cover at the start Haiti, the Dominican Republic, and Puerto Rico. Among drugs involved in the survey are belladonna, henbane, ipecac, aconite, and menthol. The Americas likewise are considered potential sources for expanded production of such products as quinine and insecticides.

Discussions are under way for projects to increase quinine production. Until recently, the United States obtained practically all its quinine from the Netherlands Indies. Numerous other drug supplies also came in whole or in part from the South Pacific and from Europe.

Need for developing hemisphere sources of these products, agricultural experts say, now is greater than in the first World War. United States agricultural authorities say that the current trend toward increasing home-grown supplies may bring long-range benefits in diversifying the production in the Americas. While not large in the aggregate, the volume involved in some drugs would make a profitable source of revenue for growers and would contribute to further expansion of inter-American trade, they point out.

Prices of many drugs have risen sharply, offering incentive for new and additional production in this hemisphere. Caribbean countries with relatively large labor reserves are particularly well situated for growing these products.

Inter-American Agricultural Conference

The Minister of Agriculture of Mexico has been named Chairman of the Organizing Committee of the Inter-American Agricultural Conference, which is to be held at Mexico City from July 6 to 16 inclusive, this year. In announcing the appointment of committee members the President of Mexico stressed the importance of such a conference of agricultural experts at this time and his belief that it would be able to render valuable services to the agricultural production of the Western Hemisphere in the present crisis.

European, Far Eastern, and Other Exchange Rates

NOTE.— *For Latin American Rates See Opposite Page*

COMPILED IN INTERNATIONAL ECONOMICS UNIT

NEW YORK RATES REPORTED BY FEDERAL RESERVE BOARD

Country	Unit quoted	Annual average rate		Monthly average rate		Rate on May 15, 1942
		1939	1940	February 1942	April 1942	
Australia	Pound (free)	*$3.5338	$3.0516	$3.2150	$3.2150	$3.2150
	Pound (official)		3.2280	3.2280	3.2280	3.2280
Canada	Dollar (free)	.9602	.8514	.8842	.8717	.8855
	Dollar (official)		.9091	.9091	.9091	.9091
Hong Kong	Dollar	.2745	.2296		(†)	(†)
India	Rupee	*.3328	.3016	.3012	.3012	.3012
New Zealand	Pound	3.5482	3.0638	3.2278	3.2279	3.2278
Straits Settlements	Dollar	*.5174	.4698	.4671	(†)	(†)
Union of South Africa	Pound	*4.4017	3.9800	3.9800	3.9800	3.9800
United Kingdom	Pound (free)	4.4354	3.8300	4.0350	4.0350	4.0350
	Pound (official)		4.0350	4.0350	4.0350	4.0350

OFFICIAL RATES IN FOREIGN COUNTRIES

[New York rates not currently available]

Country	Official rate	Equivalent in United States dollars of unit quoted	Annual average rate [1]	
			1938	1939
Afghanistan	4 Afghanis=1 rupee	$0.0753		
Belgian Congo	44.26 Congolese francs=$1.00	.0226		
Belgium	1 belga=RM 0.4000	[2] .1600	$0.1689	$0.1685
Bulgaria	1 lev=RM 0.0305	[2] .0122	*.0124	[3] *.0121
China (Shanghai)	1 yuan=$0.0531	[4] .0531	*.2136	*.1188
China—Manchuria	1 M. yuan=1 yen	.2344	.2848	.2596
Czechoslovakia:				
Bohemia-Moravia	1 koruna=RM 0.10	[2] .0400	*.0347	[5] *.0343
Slovakia	1 Slovak crown=RM 0.0860	[2].0344	*.0347	[5] *.0343
Denmark	4.79 kroner=$1.00	.2088	.2183	.2035
Egypt	£E0.24072=$1.00	4.1542	[6] 5.0130	[6] 4.5463
Finland	49.35 markkaa=$1.00	.0203	.0216	*.0199
France:				
Occupied area	1 franc=RM 0.0500	[2].0200	.0288	.0251
Unoccupied area	43.90 francs=$1.00	.0228	.0288	.0251
French Indochina	1 piaster=$0.2269	.2269	[7] .2880	[7].2510
Germany	RM 2.50=$1.00	.4000	*.4006	*.4002
Greece	1 drachma=RM 0.0167	[2].0067	.0090	.0082
Hungary	5.13 pengo=$1.00	.1949	.1973	.1924
Iceland	6.505 kroner=$1.00	.1537		
Iran	35 rials=$1.00	.0286		
Iraq	1 dinar=£1 sterling	4.0350	[6] 4.8894	[6] 4.4354
Italy	19 lire=$1.00	.0526	.0526	.0520
Japan	1 yen=$0.2344	.2344	.2845	.2506
Netherlands	1.8838 guilders=$1.00	.5308	.5501	.5334
Netherlands Indies	1.8925 guilders=$1.00	.5284	[8] .5501	[8] .5334
Newfoundland	$1.10 Newfoundland=$1.00	.9091	.9942	.9602
Norway	4.375 kroner=$1.00	.2286	.2457	.2327
Palestine	£P1=£1 sterling	4.0350	[6] 4.8894	[6] 4.4354
Poland ("General Governorship").	1 sloty=RM 0.5000	[2].2000	.1886	[2].1884
Portugal	24.55 escudos to the dollar (checks)	.0409	.0433	.0404
	15 escudos to the dollar (currency)	.0667		
Rumania	191.30 lei=$1.00	.0052	*.0073	[11] *.0071
Spain	10.95 pesetas=$1.00	.0913	*.0560	*.0999
Sweden	4.20 kronor=$1.00 [12]	.2381	.2399	.2380
Switzerland	4.31 francs=$1.00	.2320	.2253	.2268
Syria	2.195 pounds=$1.00	.4556	[7] .5760	[7].5020
Thailand (Siam)	11 bahts=£1 sterling	.3659	.4445	.4032
Turkey	£T1=$0.75	.7500	.8011	.8024
U. S. S. R.	5.30 rubles=$1.00 [13]	.1887		
Yugoslavia:				
Croatia	1 kuna=RM 0.0500	[2].0200	*.0231	[11] *.0227
Serbia	1 dinar=RM 0.0500	[2].0200	*.0231	[11] *.0227

*Nominal. †Not available.

[1] Averages are in dollars per unit of foreign currency and are based on daily quotations of noon buying rates for cable transfers in New York City as reported by the Federal Reserve Board.

[2] Based on German official rate for United States dollar.

[3] Average for first 8 months only.

[4] Rate set Aug. 18, 1941 by Chinese Stabilization Board.

[5] Average for first 3 months only.

[6] Based on average for pound sterling.

[7] Based on average for French franc.

[8] Average for Netherlands guilder.

[9] Official rate in London.

[10] Based on official rate for pound sterling.

[11] Average for January–August and November–December.

[12] Official selling rate: the official cable rate is 4.18 kronor=$1, and the air transfer rate is 4.15 kronor=$1.

[13] For foreign-trade valuation purposes only.

Quotations not available after Feb. 16, 1942.

Subsidies in the Canadian Price Control

(Continued from p. 14)

sound business judgment rather than the exhaustive statistical analysis which a more leisurely examination would make possible. It is essential that claims be dealt with promptly so as to insure an orderly and continued supply of goods.

Simplified Practice the Hope of Lower Costs

"The third point I would emphasize is that the Board and the Government are laying great stress upon the reduction of costs by means of standardization, simplification, and the elimination of all unnecessary frills and services. We hope by means of such reduction in costs to eliminate or at least drastically reduce the need for domestic subsidies. I think all businessmen are anxious to cooperate to this end, because they see the need for it, and most of them, we find, are reluctant to accept subsidies from the Government, even under present conditions, and they are trying to cut costs so that they will not need to depend on help from us.

"But the importance of this simplification program extends far beyond the elimination of subsidies. The reductions in costs that can be achieved by eliminating frills, unnecessary services, unnecessary varieties and patterns, etc., are very real national gains at a time such as this. We cannot afford to waste either materials or manpower on frills or fancy varieties. Consequently, I am, on behalf of the Government, urging the Board to press ahead with its cost-reduction program, and I am glad to say that the Board itself is equally convinced of the very real value of this part of its work. I certainly hope that all businesses in this country—whether manufacturers or distributors—will cooperate to the full extent of their ability in this simplification program. . . .

Subsidies Insurance Against Supply Shortage

"In combination with this program of simplified practice being worked out in cooperation with industry, the system of subsidies constitutes a fully mobile, not static, defense against the pressure of costs on prices. We cannot hold up supplies while we are searching out the possibilities of cost reduction. Subsidies insure current supplies. Simplification and standardization will reduce costs and permit subsidies to be discontinued. I do not suggest that all domestic subsidies can be thus eliminated, but many of them can and will.

"I referred earlier to subsidies made available on some 40 grocery items on

BUY BONDS STAMPS TODAY

March 23. Arrangements are being worked out which will eliminate a number of those items for subsidy. The picture which some people have drawn of a system of subsidies to vested interest, a system into which the Government would sink deeper and deeper and never be able to withdraw, has no relation to the facts.

Accurate Estimate of Subsidy Cost Impossible

"I should like to be able to give the house a reasonably accurate estimate of the cost of these subsidies this year and in future, but that is not possible. Their amount will depend on a large variety of circumstances which cannot be foreseen, particularly on the costs of import and of shipping, and on the speed with which savings can be effected by the simplification program I have just referred to. Subsidies paid on a product of universal consumption will necessarily appear large in total. Of course, the saving they make possible to consumers will be correspondingly large.

"After nearly 5 months of operation of the price ceiling, the subsidies actually paid make quite a small total—about $2,125,000 up to April 21. They will increase, of course, as the full volume of purchases is reflected in them and as more claims are submitted for imports that have been made. There is no evidence or reason to believe that they can ever reach the fantastic totals of several hundred million dollars suggested in some quarters. I have included, however, in making up the estimates I gave the house when I introduced this war-appropriation resolution, an arbitrary figure of $50,000,000 for this purpose. Some details of the amounts expended in subsidies on various items are given in a table which I have here. . . .

Commodity Prices, Stabilization Corporation, Ltd., Subsidies Paid up to and Including Apr. 21, 1942

Item	Amount
Domestic, total	$1,974,762.80
Milk	1,387,630.34
Footwear	584,355.01
Leather garments	2,777.45
Imports, total	154,219.01
Spices, ground	174.52
Lima beans	459.65
Rice	5,468.00
Tapioca	284.25
Cocoa, beans, etc	3,922.35
Fruits, dried and evaporated	31,245.33
Grapefruit juice	70,297.33
Anesthetics	816.00
Antimony oxide	2,645.76
Peppermint oil	360.00
Inedible pigskin grease	1,217.13
Tableware	311.77
Brass and copper nails, etc	125.45
Cutlery	660.14
Tools	160.28
Hollow-ware	132.73
Iron and steel (manufactured)	513.33
Cotton linters	1,910.23
Cotton rovings, yarns, warps	5,127.76
Cotton woven fabrics	13,330.23
Cotton handkerchiefs	246.92
Woven fabrics of cotton or hemp	872.04
Vegetable fiber rovings, yarns, warps	1,700.02
Wool, camel, goat, etc	269.55
Carpets, rugs, etc	182.59
Raw hides and skins	4,825.88
Broom corn	6,089.07
Sundry items of less than $100	870.70
Grand total	2,128,981.81

Latin American Exchange Rates

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency per dollar, with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to 1 dollar.

Country	Unit quoted	Type of exchange	Annual average rate		Average rate		Latest available quotation	
			1940	1941	Feb. 1942	Mar. 1942	Rate	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	3.73	Apr. 30
		Official B	4.23	4.23	4.23	4.23	4.23	Do.
		Bid					4.93 / 4.98	Apr. 28
Bolivia	Boliviano	Free market	4.37	4.24	4.24	4.22	4.24	Apr. 30
		Controlled	39.09	43.38	46.46	46.46	46.46	Do.
		Compensation	[1] 53.83	[2] 55.00				
		Curb	56.71	54.02	48.38	48.70	49.25	([12])
Brazil	Milreis	Official ([3])	16.500	16.500	16.500	16.500	16.500	Apr. 19
		Free market	19.789	19.717	19.650	19.650	19.650	Do.
		Special free market	20.700	20.678	20.583	20.500	20.500	Do.
		Curb	21.421	20.298	19.943	19.777	19.750	Apr. 4
Chile	Peso	Official	19.37	19.37	19.37	19.37	19.37	Apr. 11
		Export draft	25.00	25.00	25.00	25.00	25.00	Do.
		Curb market	33.04	31.78	31.09	30.16	30.00	Do.
		Free	31.05	31.15	31.15	31.15	31.15	Do.
		Gold exchange	31.05	31.15	31.15	31.15	31.15	Do.
		Mining dollar	[3] 31.13	31.15	31.15	31.15	31.15	Do.
		Agricultural dollar		[3] 31.15	31.15	31.15	31.15	Do.
Colombia	do	Controlled	1.75	1.7545	1.75	1.75	1.75	Apr. 25
		Bank of Republic	1.755	1.755	1.755	1.755	1.755	Do.
		Stabilization Fund	-([4])	([4])	([4])	([4])	([4])	
Costa Rica	Colon	Curb	1.88	1.86	1.80	1.79	1.76	Apr. 25
		Uncontrolled	5.70	5.85	5.88	5.87	5.78	May 8
		Controlled	5.62	5.62	5.62	5.62	5.62	Do.
Cuba	Peso	Free	.90	.975	1.00	1.00	1.00	May 2
Ecuador	Sucre	Central Bank (Official)	[5] 16.42	15.00	15.00	15.00	14.10	May 1
		Central Bank (Free)	[6] 15.44					
		Commercial Bank	[6] 15.73					
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	2.04	May 2
Mexico	Peso	Free	5.40	4.86	4.86	4.85	4.86	Apr. 18
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	5.00	May 2
		Curb	6.36	5.93	5.11	5.26	5.43	Do.
Paraguay	Paper peso	Official	[7] 70.00		333.00	333.00	333.00	Apr. 25
		Free	[7] 75.35	([10])				
Peru	Sol	do	6.17	6.50	6.50	6.50	6.50	Apr. 25
Salvador	Colon	do	2.5	2.5	2.5	2.5	2.5	Do.
Uruguay	Peso	Controlled	1.899	1.899	1.899	1.899	1.899	May 2
		Free	2.66	2.31	1.90	1.90	1.90	Do.
Venezuela	Bolivar	Controlled	3.19	3.26	3.35	3.35	3.35	Do.
		Free	[11] 3.46	[13] 3.76	3.62	3.57	3.51	Do.

[1] Mar. 16–Dec. 31
[2] For commitments of the Government only.
[3] Established on July 13.
[4] For Class 2 merchandise, 1.795; Class 3, 1.87; Class 4 1.95.
[5] June–December.
[6] January–May.
[7] Paraguayan pesos to 1 Argentine peso.
[8] Jan. 1–June 20.
[9] Established Mar. 25.
[10] Abolished on Feb. 10.
[11] Jan. 1–June 25.
[12] July 24–Dec. 31.
[13] Beginning of April.

NOTE.—Special rates apply to automotive equipment and agricultural machinery, imported from the United States into Argentina.

Subsidies May Not Be Permanent

"Attempts to estimate the ultimate annual total of subsidies are likely to be unprofitable because, as I have said, the deciding circumstances cannot be forecast. There are certain considerations worth bearing in mind, however. The fact that a subsidy is paid initially is no evidence that it will be continued indefinitely. Many interim subsidies have been established so that supplies can be obtained quickly and freely. Investigations are now proceeding to determine more precisely the extent to which economies and standardization can be effected, and what amount of subsidy, if any, will continue to be required, and whether alternative supplies are available without subsidy. The basis of subsidies is continually under review. Experience will show which are essential and which are not.

"If certain essential supplies are to be obtained, some increases in cost must be paid because those costs cannot be avoided. The question to be decided is whether they will be paid directly by the consumer in the form of higher prices, or by the consumers as citizens and taxpayers through the Government Treasury. I am satisfied that the cost to the country at large is much less and is much more equitably distributed by meeting these costs at this time by means of these subsidies paid on a conservative basis, rather than through permitting increases in prices above the legal ceiling and leading to great difficulties in the maintenance of the established level of prices."

Avenge
Pearl Harbor!

Better International Economic Relations Vital, Says Secretary Hull

Statement by the Honorable Cordell Hull, Secretary of State, in Connection With the Celebration of National Foreign Trade Week, May 17–23, 1942:

During the year that has elapsed since the last observance of Foreign Trade Week, a vast change has occurred in our country's position, which profoundly affects the work of those engaged in foreign commerce as it does the life and work of every one of our citizens.

Our country is at war. Together with more than 20 nations united with us in this great struggle, we are engaged in repelling the attacks of powerful and ruthless enemies and are marshalling our human and material resources for armed blows that will crush once and for all the forces of conquest and domination.

The greatly expanded production of our war industries is flowing in ever-increasing volume to our own heroic fighters and to all the battlefronts of the United Nations. With unity and singleness of purpose, by doubling and redoubling our efforts, we are hastening the day of complete victory over the enemies of human freedom, the day when we can begin to build upon firm foundations a world of peace and progress.

In this all-embracing endeavor, foreign trade, as all other phases of our economic activity, must serve the imperative requirements of the great task that is before us. The international movement of goods is indispensable to the winning of the war. It will be equally indispensable to the winning of the peace.

When the war is over, enduring peace and advancing prosperity will be impossible unless international trade and international economic relations in general are established on the basis of fair treatment and mutual benefit. Our war effort itself will be immensely strengthened if we make sure now that one of the principal things we are fighting for is the establishment of a new and better system of international economic relations.

The United Nations have already resolved that, once victory is achieved, the economic relations among nations will be based on the principles and objectives which have been tirelessly advocated by our Government on all appropriate occasions in recent years. These principles and objectives have been affirmed and incorporated in the declaration of August 12, 1941, known as the Atlantic Charter. They have been accepted as a common program by all of our allies in the United Nations Declaration of January 1, 1942.

Of particular interest to foreign traders is the fourth point of the Atlantic Charter which promises "to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity." This must, of necessity, involve the rehabilitation, on a sound basis, not only of trade relations, but also of monetary, financial, and all other international economic relationships.

A first step has been taken to implement the United Nations program in the economic field. In an agreement with the British Government signed on February 23, 1942, it is stipulated, among other things, that in the final determination of the benefits to be provided to the United States by the United Kingdom in return for aid furnished under the Lend-Lease Act, "the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations." Provision is also made for agreed action by the two Governments, open to the participation of other like-minded countries, "directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Atlantic Charter."

The far-reaching economic objectives of the Atlantic Charter cannot be attained by wishful thinking. We in this country must realize that their achievement will be impossible if we follow policies of narrow economic nationalism, such as our extreme and disastrous tariff policy after the last war. We must realize that our own prosperity depends fully as much on prosperous conditions in other countries as their prosperity depends on ours. We must show now, by our positive acts of collaboration with other nations of like mind, that we are prepared to shoulder our full share of responsibility for building a better world.

With the prospect of a better world before them, I am confident that the people of our Nation, and the peoples of all the other United Nations, will relentlessly pursue with unflagging zeal our common paramount objective—an early and decisive victory over our enemies.

Avenge
Pearl Harbor!

Soviet Industries in the Urals

(Continued from p. 11)

hydroelectric station at Perm was planned, of 310,000-kilowatt capacity. It is doubtful whether this station is in operation at the present time.

Besides electric power for industry, current is supplied to the railroad from Kizel to Sverdlovsk, via Chusovskaya and Goroblagodatskaya—a total of 490 kilometers. This road runs southward through the mountains, carrying coal to industrial plants. Kizel is reported to have a new 100,000-kilowatt coal-fueled electric station. In the GOELRO plan a station is listed at Yegorshino, using antharcite coal from a deposit at that place, but no information is available concerning this station or the working of the mine.

The waterpower resources of the Sverdiovsk and Cheliabinsk oblasts, and of Bashkiria, were estimated by the GOELRO at 6 820,000 kilowatts of electric power. Development of these potentialities is obviously a matter of the future.

Industrial Establishments Planned and Constructed Over Two Decades

It is on the basis of the Ural resources that have been described—in the setting of mountains fringed by flat steppes, and with the power developed as already narrated—that the new industries in the Urals have been planned and constructed in the past twenty-odd years. It is most convenient to list these industrial plants according to the cities where they are located, starting in the north and working south.

The northernmost industrial enterprise is the Krasnovishersk paper and pulp mill, built very recently (since 1937), in densely wooded country. Construction is reported to have been completed in a year and a half; the mill is said to manufacture high-grade paper, and capacity is 23,600 metric tons per year. It is on the Kama River, which flows southward to Solikamsk and Usolye (Berezniki), the former the site of large new potash mines and the latter that of very old (sixteenth-century) salt mines. The Solikamsk carnallite and sylvinite are here converted into fertilizers, and magnesium is produced as a byproduct. Started in 1935, and designed for an annual output of 1,500,000 metric tons of ore, this plant has since been expanded, and may be turning out 3,000,000 tons a year. The mine is modern, electrified, and full mechanized. The chemical plant in 1936 could treat 1,500,000 tons of ore, only part of the mine output; the remainder is probably sold in ground form.

The second potash mine is at Usolye, now called Berezniki, a city of chemical plants, treating the sodium, potassium, and magnesium salts mined in the vicinity. These plants are described as a "combinat" of inter-related modern plants, producing not only potash but also nitrogen fertilizers, soda ash and other soda products, and industrial

acids. It is probable that explosives are also manufactured here. No figures are available on the production of these chemicals.

East of Solikamsk is Nadezhdinsk, where the iron ore of the Sama, Auertusch, and Vorontsov mines is smelted in a metallurgical combinat; output of pig-iron in 1926–27 was 279,000 metric tons, of which only part (64 percent) was smelted from local ores.

South of Solikamsk lies the Kizel coal mine, already described. Development of a ccke-chemical plant is under way here.

In the Chusovaya Region

From Kizel the railroad continues south to Chusovaya, on the river of the same name. This town was the site of one of the largest of the old metallurgical works, to which has now been added a new, completely mechanized blast furnace, claimed to be the largest charcoal furnace in the world. Besides charcoal iron, ferro-vanadium is also produced, and high-grade steels. Near here the first oil in the Northern Urals was struck in 1929, and later a refinery was built at Krasnokamsk, to the west of Chusovaya.

At Krasnokamsk also a large paper mill has been erected in recent years, scheduled for an annual production of 42,900 tons; it is a pulp and paper "combinat," planned to be equipped with machinery of Soviet manufacture throughout.

Southeast of Chusovaya is the former Perm, now called Molotov, an old Ural city, at present a large manufacturing center. Lying on the Kama River, it has large shipbuilding shops, and internal-combustion-motor works, now devoted to making airplane engines. There is also a modern cream-separator plant; and a plant making 100,000 military tanks a year is reported to be working here.

East of Molotov is situated the town of Nizhni-Tagil, of which a new part, called Novo-Tagil, is an industrial quarter. The second Five-Year Plan called for the construction here of a large plant to build 54,000 modern 4-axle freight cars, with iron and steel plants to supply metal for these; this combine is now in operation, but on what scale of output is not known. Near Tagil also a new copper smelter, at Krasnouralsk, is in operation; another is at Kirovgrad (Kalata) south on the railroad, with a large sulphuric acid plant using roasted pyrites and the tower recovery system. Eastward lies Alapayevsk, where high-grade asbestos is mined and shipped to the new town of Asbest, where it is manufactured into brake bands, roofing, insulation, etc.

Duplicating "Anything Krupp Can Make"

Sverdlovsk (former Yekaterinburg) is regarded as the center of this industrial region, and has become a large manufacturing unit itself. The largest new plant is the "Uralmashzavod," a series of shops making many types of machine tools, particularly heavy equipment for the metallurgical, chemical, and electrical industries, and also armaments. It is claimed that "anything Krupp can make" can be duplicated at the giant Ural Machine Plant. Among products listed are: Steam turbines, steel rolling mills, and small submarine boats for use in the defense of Vladivostok. The planned capacity of the "Uralmash" was fixed at 100,000 metric tons of finished products a year.

Some 50 kilometers west of Sverdlovsk, at Revda, has been built the most modern copper smelter in the U. S. S. R., with a new town surrounding the plant. The first section began operation in June 1940, using ore from the nearby Degtiara deposit. All processes are mechanized, and only the latest equipment and machinery are used. Under construction since 1931, this smelter is expected, at final capacity, to produce half again as much crude metal as did all smelters in Russia in 1913 (i. e., 45,000 metric tons).

Aluminum Combine Creates Big New Town

Southeast of Sverdlovsk is Kamensk, the site of another of the new Ural metallurgical works, the Aluminum Combine, started in September 1939, after five years of construction. Using the high-grade bauxites previously described, and the Bayer and electrolytic processes, this plant is scaled to produce 25,000 tons of metal a year. Expansion of the old village to accommodate 25,000 or more people has created a new town, with the usual facilities and services.

Continuing south on the railroad, the next new metallurgical plant is the nickel refinery at Ufalei. Construction of this plant was started in 1930, and operation began in 1934; in 1935 it was expanded to an ultimate capacity of 3,000 metric tons of metal a year. A number of deposits in the neighborhood were drawn on for ore, and in 1936 a new concentrator at the Rezha mine began to supply the Ufalei smelter with ore. No figures of actual production here are available.

Immediately south of Ufalei is Kyshtym, the site of one of the large Ural copper smelters, the Karabash Combine, which was preceded before the Revolution by a refinery producing 10,000 tons of metal a year. New modern equipment has replaced much of the old, and the rated capacity is now 25,000 tons a year, although the latest production figure, for 1936, was only 20,130 tons. The plant draws for ore on a number of pyrites deposits, some a considerable distance away; the refinery is, however, one of the most up-to-date in the U. S. S. R. But it is, like other Ural copper plants, threatened with an ultimate exhaustion of the Ural ore bodies. No record of performance in recent years is available.

Cheliabinsk, Hive of Industry, Following U. S Methods and Models

From Kyshtym the railroad continues to Cheliabinsk, another old town that has become a center of modern industry. The first new plant to be built here under the second Five-Year Plan was a large factory manufacturing tracklaying tractors for Soviet agriculture. Designed for an annual output of 40,000 machines of 60 or more horsepower, the plant started operations in June 1933 and by the end of 1935 had already exceeded the plan for that year, 20,000 machines. Since then production has been maintained, and the power unit of the tractor has been changed from a 4-cycle to a Diesel type. American machines, methods, and models were adopted as standard from the beginning.

Cheliabinsk has also a large new zinc refinery, recovering metal from the tailings and slimes of plants (nonferrous metal) brought by rail; this is an electrolytic plant, with rated capacity of 20,000 tons of metal a year. To supply alloy steels to the tractor plant and other users, a large electro-metallurgical plant has been recently built here. And finally, machine-tool and artificial-abrasives plants have been erected. The city has been considerably expanded to accommodate the increased population of industrial workers.

West of Cheliabinsk, in the foothills of the Urals, are the old towns of Zlatoust and Ufa, both of which have become centers of industry. The first has long been a producer of high-grade steel, cutlery, and tools: a new iron and steel plant is under construction in the vicinity. Ufa, farther west, has added a Diesel-motor plant, woodworking mills, and a modern high-octane gasoline plant, completed in 1940—scheduled to produce 500,000 tons of gasoline annually from Ural petroleum. Late reports place an airplane motor plant, turning out 10,000 motors a year, in this city.

Iron and Steel Plants at Magnitogorsk

Of the 200 new industrial plants constructed in the Ural district between 1930 and 1940, the largest and most conspicuous is the iron and steel plant at Magnitogorsk, utilizing the mountains of magnetic iron ore located there. The Combine now in operation performs all the operations in modern steel manufacture: Mining and smelting the ore, transforming the pig iron into steel, and rolling the blooms into rails, shapes, and sheets.

The mines are open-cut, and the ore travels by gravity to the crushers, washers, and sorters, ending in an agglomeration plant. Thence it passes to the blast furnaces, of which eight will be or have been built, of the latest type. In 1941 four of these were reported as in operation, as well as 4 coke batteries, 16 open-hearth furnaces, and 12 rolling-mill units.

No later figures of production are available than those for 1938. These included 1,535,000 metric tons of pig iron, 1,490,000 tons of steel ingots, 1,200,000 tons of rolled steel, and 1,515,000 tons of coke. The eventual capacity of the Combine is scheduled to be 4,300,000 tons of pig iron a year and of other products in proportion.

Besides the units listed, the Combine includes a coke-chemical plant, a power-

house of 248,000-kilowatt capacity; machine, forge, and boiler shops; a foundry; a fire-brick plant; and many subsidiary shops. Damming the Ural river has produced a lake, 20 miles long in 1938, which supplies water for industrial and domestic use. A recently built railroad connects Magnitogorsk with the Kuznetsk Basin and the Karaganda coal field to the east, and another line, probably completed by now, runs to Ufa.

"New Conception, Planned in Advance . . . Great Expense, Tremendous Effort"

The city of Magnitogorsk (as previously pointed out) is a new conception, planned in advance in every detail, and executed over a series of years at great expense and with tremendous effort. A description of its inception and progress during the first 5 years is available in print ("Stalin's Ural Stronghold"). Since the occupation of the Donets Basin in the Ukraine by the Germans, it may be assumed that Magnitogorsk has been pressed to increase its production of every type and to accelerate completion of all the units originally planned. Simultaneously being developed are nearby deposits of fire-clay, limestone, dolomite, magnesite, and building stone and sand.

From Magnitogorsk the Ural River flows south to Orsk, which has become the center of a new industrial region, including the Chkalov oblast to the west. At Orsk proper is the present terminus of the Emba-Orsk oil pipeline, and a modern refinery has been built here to treat the Emba oil. In 1934 construction was begun of a nickel smelter, to treat the ores of a deposit at Khalilovo, and scheduled to produce 500 metric tons of metal a year, from 1935. Other industries here include a large modern meat-packing plant, and a locomotive and Diesel-engine plant. In the Orsk region should also be noted the new copper smelter and sulphuric-acid plant at Blyava, which was designed to turn out 25,000 tons of metal annually, and also recover the gold and silver present in the ores treated. In addition, the sulphuric acid was to be combined with the phosphorites of Aktyubinsk, lying to the south, to make superphosphate and other fertilizers. Construction was well along in 1938, but no information has been issued since then.

Labor Supply: Recruiting and Training

In planning for the industrialization of the Ural district, the question of the labor supply, both skilled and unskilled, was of major importance. It was obvious that the small corps of workers, often handicraftsmen, who operated the primitive shops or factories of pre-Revolutionary origin, could not man the large, modern plants and mills it was proposed to erect. New methods were therefore adopted, and a labor force has gradually been built up, accounting largely for the great increases in urban population that have already been noted.

As typified by Magnitogorsk ,the outstanding example of an industry created from the ground up, the recruiting and training of labor began with the breaking of ground. For the first building operations native peasant labor, directed by imported (both Russian and foreign) engineers, sufficed, being trained for other and more complex work during the process of construction, in special schools set up for the purpose. As the demands for labor increased, and equipment was started running, more workers and engineers were brought to the plant; in some cases they were individuals who had been convicted of wrecking or sabotage and who were given a chance to regain their standing by working in the new plant.

For the actual running of the plant when ready for operation, skilled workers were brought temporarily from older plants and installed as group-leaders and instructors of the newly-trained workers. By carrying on these processes of introducing experienced leadership, young engineers, and selected supervisors, and of educating all other workers continuously, the new plant has been gradually brought into production, either complete or partial, and at least a nucleus of a permanent personnel has been built up.

Specialists From Technical Schools—Junior Labor Force

In most cases the Ural plants are staffed chiefly by young men and women—the latter being given opportunities to study and work, within their physical capabilities, on a level with men. The Soviet universities and technical schools are constantly graduating specialists in many lines, who are promptly absorbed by industry, the newer plants receiving most of them. Two years ago there were introduced special 2-year courses for training boys as a junior labor force. After intensive theoretical and practical work in school and factory, some 800,000 to 1,000,000 semitrained students were expected to enter industry each year as a labor reserve, under contract to serve for four years in whatever plant or organization they were assigned to.

Trek From the West, Today As in the Past

In 1941 the Ural force of industrial workers was enlarged by the transfer of many plants from the Leningrad and Moscow areas, occupied by the German armies, eastward, to areas less liable to attack. It is not known how many and what plants, or what number of workers, have thus been transferred, nor what products are being manufactured. For much of the equipment brought new buildings have been erected, if no unused old structures were available. It has been announced that the workers evacuated will remain in the places where they are now working: thus a considerable addition has been made to the Ural labor force, consisting of skilled workers capable of training others.

Ural Transportation Facilities

Before the Revolution, the Ural industrial district was poorly developed in the field of transportation; there was but one waterway, the Chusovaya River, running into the Kama, which in turn joins with the Volga; and only a few east-west highways crossed the mountains. Two railroads crossed the range, through Yekaterinburg and Cheliabinsk; the former turned south in Siberia to join the latter, which was called the Trans-Siberian from Cheliabinsk eastward. Short north-and-south lines connected these trunk roads, running as far north as Ussolye and Nadezhdinsk, via Perm and Nizhne-Tagilsk, respectively.

Railroad expansion in the Urals since 1918 has consisted chiefly in connecting important mines with the cities, increasing the number of lines connecting the main trunks, and building an entirely new line from Ufa to Magnitogorsk to Kartaly, whence it extends eastward to Aktyubinsk and beyond. Another new line runs from Orsk south to Kandagach, thence to Guryev on the Caspian Sea. Two short roads to coal mines, Orsk to Dombarovsk, and Cheliabinsk to Sinarskaya, facilitate the supply of industries needing fuel.

Lines from Kyshtym to Karabash, Cheliabinsk to Kamensk, Ufa to Ishimbayevo, three spurs from Nadezhdinsk, and other short lines represent new facilities for shipping minerals to recovery plants. One line, from Kizel to Sverdlovsk, via Chusovaya, has been electrified; many others have been double-tracked, reballasted, and supplied with heavier rails.

Ural Area Looks to the Future

The Ural industrial district represents at the present time one of the most productive sections of the U. S. S. R., drawing on many stores of raw materials, and turning out large quantities of metal and mineral products, manufactured in modern plants equipped with the latest machines—manned by a constantly growing force of labor, men and women, rapidly acquiring skill and training in the handling of complex industrial processes.

Adequately supplied with power distributed through a comprehensive network of high-voltage wires; provided with transport facilities which, while now not fully capable of satisfying all needs of the district, are constantly improving their service and adding to their length and connections; and directed by a Federal Soviet plan which looks forward to a complete development of the district's natural resources—the Ural district is not only taking an active part in the present defense activities but also is providing for a post-war revival of its primary manufacturing goals, lost sight of under the pressure of preparations for war.

BUY BONDS STAMPS TODAY

Wood, Wind, and Sail—The Coffee Fleet

(Continued from p. 5)

repair shops, ample skilled labor, capable of building 300 to 500-ton schooners.

And throughout the whole of the West Indies blow constantly the famed Trade Winds, which have made it possible for centuries for men to travel wherever they like, with rudder—and sail.

The Sailing Fleet—Ports of Call, Time, and Cargo

Caribbean ports	Outward trip: New Orleans to Caribbean ports			Return trip: Caribbean ports to New Orleans				
	Nautical miles from New Orleans	Average number of days sailing time from New Orleans	Products carried	Average number of days sailing time to New Orleans From—	Days	Products carried	Tons (annual estimate)	Annual number of voyages required in sailing ships, each carrying 300 tons
Colombia:				*Colombia:*				
Cartagena	1,478	22	Machinery and mac hine parts, textiles, raw cotton, chemicals, pulp and paper products.	Cartagena	18	Coffee	197,400	658 Voyages for coffee.
Buenaventura	1,787	28		Buenaventura	21	Sugar, gold, hides and skins, balso wood, and other products.	53,432	178 Voyages for cargo other than coffee.
						Total tons	250,832	836 Total number of voyages.
Venezuela:				*Venezuela:*				
Maracaibo	1,629	24	Mining machinery, machine parts, wheat, chemicals, textiles.	Maracaibo	20	Coffee	17,220	58 Voyages for coffee.
Puerto Cabello	1,825	25		Puerto Cabello	20	Petroleum and products, cacao, tauka beans, balata, and other products.	11,893	40 Voyages for cargo other than coffee.
La Guiara	1,858	25		La Guiara	21			
Margarita Island	1,976	26		Margarita Island	21			
						Total tons	29,113	98 Total number of voyages.
Trinidad:				*Trinidad:*				
Port of Spain (also a transshipment point for Brazil).	2,059	25–30	Machinery, textiles and manufactures. For Brazil: Coal, industrial chemicals, pulp and paper products, machinery, textiles.	Port ofSpain (also a transshipment point for Brazil).	16	Sugar, asphalt, petroleum. From Brazil:		
						Coffee	603,600	2,012 Voyages for coffee.
						Cotton, cocoa, hides and skins, tobacco, and other products.	1,641,841	5,476 Voyages for cargo other than coffee.
						Total tons	2,245,441	7,488 Total number of voyages for Brazilian products.
Panama:				*Panama:*				
Panama Canal (also a transshipment point for Peru, Ecuador, and Chile).	1,444	21	Manufactured products. For Peru: Machinery, textiles, wood and paper, canned goods, chemicals, and dyes. For Ecuador: Mining and other machinery, textiles, paper products. For Chile: Textiles, machinery and parts, metal products, chemicals, coal.	Panama Canal (also a transshipment point for Peru, Ecuador, and Chile).	12	Cocoa and coconuts	5,446	18 Voyages for native Panama products.
						From Peru:		
						Coffee	1,709	6 Voyages for coffee.
						Minerals, cotton, sugar and other products.	567,631	1,892 Voyages for cargo other than coffee.
						Total tons from Peru	569,340	1,898 Total number of voyages for Peruvian products.
						From Ecuador:		
						Coffee	10,267	34 Voyages for coffee.
						Cocoa, petroleum, minerals, straw hats, tagua nuts, hides and skins, and other products.	53,813	186 Voyages for cargo other than coffee.
						Total tons from Ecuador	64,080	220 Total number of voyages for products from Ecuador.
						From Chile: Minerals, wool, iron ore, hides and skins, and other products.		
Costa Rica:				*Costa Rica:*				
Port Limon	1,306	15	Manufactured products, machinery and parts, pulp and paper, textiles, canned food.	Port Limon	9	Coffee	13,200	44 Voyages for coffee.
Puntarenas (via Panama Canal).	1,904	27		Puntarenas (via Panama Canal).	18	Minerals, lumber, cacao, hides and skins, and other products.	19,169	64 Voyages for cargo othern than coffee.
						Total tons	32,369	108 Total number of voyages.
Nicaragua:				*Nicaragua:*				
Bluefields	1,201	13	Machinery, iron and steel products, cotton manufactures, chemicals.	Bluefields	8	Coffee	12,870	43 Voyages for coffee.
						Lumber, raw cotton, sugar, gold, hides and skins, and other products	7,552	25 Voyages for cargo other than coffee.
						Total tons	20,422	68 Total number of voyages.
El Salvador:				*El Salvador:*				
La Union (via Panama Canal).	2,181	32	Textiles, machinery, manufactured products.	La Union (via Panama Canal).	22	Coffee	39,600	132 Voyages for coffee.
						Bullion and specie, sugar, rice, henequen, and other products.	10,335	34 Voyages for cargo other than coffee.
						Total tons	49,935	166 Total number of voyages.
Guatemala:				*Guatemala:*				
Livingston	944	11–12	Machinery and machine parts, textiles, metals and manufactures.	Livingston	7	Coffee	35,310	118 Voyages for coffee.
Puerto Barrios	960	11–12		Puerto Barrios	7	Gold, lumber, sugar, cattle hides, and other products.	7,117	23 Voyages for cargo other than coffee.
						Total tons	42,427	141 Total number of voyages.

The Sailing Fleet—Ports of Call, Time, and Cargo—Continued

Caribbean ports	Outward trip: New Orleans to Caribbean ports			Return trip: Caribbean ports to New Orleans				
	Nautical miles from New Orleans	Average number of days sailing time from New Orleans	Products carried	Average number of days sailing time to New Orleans		Products carried	Tons (annual estimate)	Annual number of voyages required in sailing ships, each carrying 300 tons
				From—	Days			
Honduras:				*Honduras:*				
Tela	915	11–12	Textiles, chemicals, machinery, pulp and paper products.	Tela	7	Coffee	1,320	5 Voyages for coffee.
Puerto Cortes	920	11–12		Puerto Cortes	7	Lumber, minerals, tobacco, cocoanuts, and other products.	39,454	132 Voyages for cargo other than coffee.
						Total tons	40,774	137 Total number of voyages.
Dominican Republic:				*Dominican Republic:*				
Santa Domingo	1,514	17	Machinery and parts, textiles, canned foods, chemicals, paper products.	Santa Domingo	13	Coffee	8,209	27 Voyages for coffee.
Puerto Plata	1,268	15		Puerto Plata	12	Cacao, corn, sugar, tobacco, lumber, and other products.	601,026	2,004 Voyages for cargo other than coffee.
Sanchez	1,417	18		Sanchez	14			
						Total tons	609,235	2,031 Total number of voyages.
Cuba:				*Cuba:*				
Santiago	1,122	10–11	Machinery, textile manufactures, pulp and paper products, chemicals and pharmaceuticals, canned foods.	Santiago	8	Coffee	5,492	18 Voyages for coffee.
Habana	602	7–9		Habana	6	Sugar, molasses, alcohol, corn, tobacco, henequen, and other products.		50,000 Voyages estimated for Cuba's very large additional tonnage other than coffee.
Cienfuegos	866	8–9		Cienfuegos	7			
Port Banes	1,007	8–9		Port Banes	7			
Haiti:				*Haiti:*				
Port au Prince	1,225	14	Textiles, machinery, manufactured products.	Port au Prince	11	Coffee	18,150	60 Voyages for coffee.
						Cotton, sugar, sisal, cacao, and other products.	28,761	96 Voyages for cargo other than coffee.
						Total tons	46,911	156 Total number of voyages.
Jamaica:				*Jamaica:*				
Kingston	1,135	14	Machinery, wood and paper products, textiles, chemicals.	Kingston	10	Spices, herbs, lumber, sugar, coconuts, etc.		(Strategic storage port and transhipment point.)
Mexico:				*Mexico:*				
Vera Cruz	789	7–8	Mining machinery, tools, chemicals and pharmaceuticals, textiles, pulp and paper products.	Vera Cruz	4–5	Coffee	34,004	113 Voyages for coffee.
Progreso	556	7		Progreso	5	Petroleum and products, minerals, henequen, and other products.	182,630	562 Voyages for cargo other than coffee.
Tampico	711	6–7		Tampico	3–4			
Carmen	723	7		Carmen	5			
Campeche	650	7		Campeche	5			
						Total tons	216,634	675 Total number of voyages.

Gulf To Get Foreign Trade Zone

To better serve the war effort, and in keeping with the modern trend, the Commissioner of the Harris County Houston Ship Channel Navigation District has applied to the Foreign-Trade Zones Board of the Department of Commerce for a grant to establish a foreign-trade zone in the port of Houston, Tex.

According to the application, the Harris County Houston Ship Channel Navigation District proposes to segregate and utilize one of the three available sites owned or controlled by that agency and located adjacent to the turning basin at the head of navigation of the Houston Ship Channel. The application proposes to utilize existing transit sheds and warehouses located on the property, which comprises a total of approximately 450,000 square feet.

This application was made in accordance with the Celler Foreign-Trade Zones Act which provides for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States. The purpose of the law is to permit the segregation of specific areas in ports of entry where foreign merchandise may be brought for storage and manipulation with domestic merchandise with a minimum amount of customs supervision. If foreign merchandise is later brought into the country, it must comply with all customs laws relating to imports.

Officials of the Gulf ports of New Orleans, Galveston, Tampa, and others are considering the establishment of foreign-trade zones in their respective localities. Houston's application is, however, the first to be formally filed with the Foreign-Trade Zones Board. As pointed out recently by the Under Secretary of Commerce, "foreign-trade zones are not competitive with each other if the zones are located at points which represent gateways to natural or existing transportation systems." It is expected that other Gulf ports will apply in due time for the privilege of establishing foreign-trade zones.

Uruguay's civil aviation lines have reportedly placed all of their resources—planes, pilots, and material—at the disposal of the Government. The step was taken to aid the Defense Ministry in mobilizing for national defense.

A new radio transmitter representing the voice of the Free Netherlands has started operations in the Dutch possession of Curacao, an island in the Caribbean off the coast of Venezuela. Named the "Princess Juliana" in honor of the heir to the Netherlands throne, the new station will devote its efforts to support of the United Nations' efforts.

Contributors' Column

Ernest C. Ropes.—Born September 2, 1877, in Brooklyn, N. Y. Educated in private schools in St. Petersburg, Russia, and Brooklyn, N. Y. B. A., Columbia College, New York, 1899. Before entering Government service engaged in publishing and bookselling, the paper and pulp business, and stocks and bonds. From 1919 to 1922, Y. M. C. A. secretary in North Russia and Estonia.

Entered the Bureau of Foreign and Domestic Commerce in 1923. Became Russian specialist in 1925 and has continued in that capacity to date, except for an absence of 6 months in 1928, devoted to a trip to the U. S. S. R. for the Remington-Rand Co.

Author of numerous articles, reviews, etc., in Government publications and was the editor and compiler of Russian Economic Notes from 1928 to 1940, a weekly and semimonthly bulletin on economic and other developments in the Soviet Union. He also has written articles on banking in the U. S. S. R. which appeared in Banking and other special articles in American and British publications.

U. S. Export Control Act Announcements

Developments communicated to the Adviser on Trade Controls up to Tuesday, May 19, 1942:

No. 338—*New or Used Typewriters Now Conditionally Exportable Under Individual Licenses.*

The Office of Exports has authorized collectors of customs to release new or used typewriters for export when covered by an individual license issued or revalidated subsequent to March 7, 1942. This release refers to the prohibition of all exports of typewriters announced in FOREIGN COMMERCE WEEKLY for March 14 under No. 287.

This ruling covers machines which were in transit at the time of the "freezing" order. New licenses for exports dated after March 7, 1942, will require individual release from the "freezing" order in addition to the export license. It is understood that when new licenses are issued, form PD-365 will be issued concurrently by the War Production Board and sent directly to the supplier. (See last paragraph under Current Controls Bulletin No. 23 at the end of this section.)

No. 339—*New Adult Bicycles Now Conditionally Exportable Under Individual License.*

The Office of Exports has authorized collectors of customs to release new adult bicycles for export when covered by an individual license issued or revalidated subsequent to April 7, 1942. This release refers to the prohibition of all exports of adult bicycles announced in FOREIGN COMMERCE WEEKLY for April 18, 1942, under No. 311.

This ruling covers bicycles which were in transit at the time of the "freezing" order. New licenses for exports dated after April 7, 1942, will require individual release from the "freezing" order in addition to the export license. It is understood that when new licenses are issued, Form PD-365 will be issued concurrently by the War Production Board and sent directly to the supplier.

No. 340—*General and Unlimited Export Licenses for American Egyptian Cotton Revoked Except to Canada and Newfoundland*

The Office of Exports has notified Collectors of Customs that, effective immediately, all general and unlimited licenses authorizing the exportation of American Egyptian cotton to any destination, other than Canada (G-1) or Newfoundland (G-47), have been revoked. This revocation does not affect shipments of American Egyptian cotton on docks, on lighters, or laden aboard exporting carriers, or shipments in transit to port of exit pursuant to orders for actual export.

No. 341—*General Licenses for Scientific and Professional Instruments, Apparatus and Supplies, and Phonographs Limited to Group C Countries*

The Office of Exports has notified collectors of customs that, effective from May 20, 1942, the following scientific and professional instruments, apparatus and supplies, and phonographs, now under general license for export to all Group K countries may be exported under general license only to Group C countries:

Commodity	*Commerce Department Schedule B No.*
Scientific and professional instruments, apparatus and supplies:	
Dental instruments	9150
Dental office equipment	9155.5
Dental suplies, n. e. s.	9155.9
Optical goods (include ophthalmoscopes and other ophthalmic apparatus) n. e. s.	9149.98
Ophthalmic lenses	9142
Sterilizers	9156
Sun or glare glasses and sun goggles	9143.5
Surgical appliances	9158
Surgical and medical instruments	9157
Surveying and engineering instruments, n. e. s.	9160
Spectacles, eyeglasses, goggles, frames, and lenses, other	9143.98
Teeth	9152
Musical instruments: Phonographs, n. e. s.	9236

From that date, therefore, the above articles will require an individual license for shipment to all destinations other than Canada, Great Britain and Northern Ireland, Newfoundland, Greenland, Iceland, and the U. S. S. R. This instruction does not affect shipments on docks, on lighters, or laden on board exporting carriers, or shipments in transit to port of exit pursuant to orders for actual export.

No. 342—*General Exports Order M-148.*

The Director of Industry Operations of the War Production Board issued on May 12, 1942 General Exports Order M-148. The general purpose of this Order is to implement the allocations program of the Board of Economic Warfare. The text of M-148 follows:

PART 1222—EXPORTS OF CRITICAL MATERIAL

General Exports Order M-148

Whereas, the requirements for the defense of the United States have created a shortage of the materials hereinafter set forth for defense, for private account and for export; and Whereas, restrictions upon the exports of such materials and the distribution thereof in the manner hereinafter set forth are necessary and appropriate in the public interest and to promote the national defense.

§ 1222.1 *General Exports Order M-148*—(a) *Definitions.*—For the purposes of this Order:

(1) "Critical material" means any material or product listed on Exhibit A annexed hereto and made a part thereof, or hereafter made subject to this Order by the Director of Industry Operations.

(2) "Producer" means any person engaged in the production of any critical material and includes any person for whom any critical material is produced pursuant to toll agreement.

(3) "Distributor" means any person who has acquired critical material for the purpose of resale.

(b) *Requirements of delivery for export.*—A producer or distributor receiving a purchase order for critical material covered by a specific export license issued after April 1, 1942, by the Board of Economic Warfare for export to one of the American Republics shall accept such order and shall make delivery of the material within the delivery period specified in the export license, regardless of preference ratings applicable to deliveries under other purchase orders for such material, unless otherwise specifically ordered by the Director of Industry Operations, or unless such order would be in excess of any export quota relating to such material previously established for such Producer or Distributor by the Director of Industry Operations.

(c) *Reports.*—Any producer or distributor receiving a purchase order based upon an export license issued as above provided shall promptly send a copy of the purchase order to the War Production Board, Washington, D. C., Ref.: M-148, together with a statement as to the name of the person to whom the export license was issued, the serial number thereof, the amount and kind of materials covered thereby and the delivery date and name of producer or distributor, if any, specified thereby. Such further and other reports shall also be made by any person operating under this order as may be required from time to time by the Director of Industry Operations.

(d) *Violations.*—Any person who wilfully violates any provision of this Order or who wilfully furnishes false information to the Director of Industry Operations, in connection with this order is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries or from processing or using material under priority control and may be deprived of priorities assistance by the Director of Industry Operations.

(e) *Applicability of Priorities Regulation No. 1.*—This order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1 (Part 944), as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this order shall govern.

(f) *Effective date.*—This order shall take effect immediately and shall continue in effect until revoked by the Director of Industry Operations.

(P. D. Reg. 1, as amended, 6 F. R. 6680; W. P. B. Reg. 1, 7 F. R. 561, E. O. 9024, 7 F. R. 329; E. O. 9040, 7 F. R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Law 89, 77th Cong.)

Issued this 12th day of May 1942.

J. S. KNOWLSON,
Director of Industry Operations.

Avenge
Pearl Harbor!

EXHIBIT A—*List of Critical Materials Subject to General Exports Order M–148*

[The numbers following each item refer to the U. S. Export Classification Code (Schedules B and F), and may be used for more accurate identification and definition of items.]

Commodity	Schedule B No.[1]
Iron and steel (excluding ferro-alloys and tin plate, q. v.):	
Pig iron	6007.
Ingots, blooms, billets	6016.01–6016.09. 6017.01–6017.09.
Bars and rods:	
Concrete reenforcement	6022.
Other	6020, 6021, 6023, 6025, 6026, 6029.
Plates	6030.15–6030.98, 6031.15–6031.19, 6031.5, 6031.95–6031.98.
Sheets and strip:	
Black	6032.05–6032.98, 6035.1, 6035.5, 6035.9, 6036, 6037.11–6037.19, 6037.51–6037.59, 6037.91–6037.98, 6038.11–6038.19, 6038.51–6038.59, 6038.91–6038.98.
Galvanized	6033, 6034.
Structural shapes	6043, 6045, 6046, 6047, 6048, 6049, and 6050.
Railway track material:	
Rails	6051, 6052, 6053.
Other	6054, 6055, 6058, and 6059.
Tubular products:	
Cast iron pipe and fittings	6066, 6067.05–6067.98, 6068.05–6068.98.
Welded (steel) pipe	6061, 6063, 6070, 6071, 6072, and 6073.
Seamless (steel) pipe	6060, 6062, 6064.
Pipe fittings	6065, 6077.05–6077.98.
Wire:	
Plain	6081 and 6082.
Barbed	6083.
Other wire and manufactures	6085, 6086.1, 6086.9, 6087.1, 6087.5, 6088, 6091.01–6091.98, 6092, 6093, 6094, 6095, and 6099.
Castings	6101, 6102, 6104.1, and 6104.9.
Car wheels, tires and axles	6105.15–6105.18, 6105.25–6105.28, 6105.35–6105.38.
Forgings	6106, 6107.01–6107.05, 6108.01–6108.05.
Tin plate	6041.
Cobalt:	
Metal	6649.25.
Oxide	8429.09.
Copper:	
Copper metal	6401, 6412, 6413, 6422, 6423, 6424, 6425, 6430, 6431, and 6435.
Brass and bronze	6440, 6441, 6448.01, 6448.05, 6450, 6453, 6454.3, 6454.57, 6456 and 6457, and 6454.58.
Copper sulfate.	8201.
Lead	6507, 6508, 6512, 6515.05, 6515.20, 6515.21, 6515.30, 6515.37, 6515.50, 6515.53, 6515.55, 6515.60, 6515.98, 6620, and 6670.
Tin (pig and manufactures not including tinplate)	6565, 6565.01–6565.98.
Ferromanganese	6213.
Ferromolybdenum	6220.85.
Molybdenum wire	6691.08.
Ferrotungsten	6220.96.
Tungsten metal, wire, shapes, and alloys	6639.
Ferrovanadium	6220.87.
Acetic acid	8300.
Acetone	8316.
Ammonium sulfate	8505.
Anhydrous ammonia	8390.
Aniline (aniline oil)	8025.15.
Camphor	8260.
Carbon tetrachloride	8329.1.
Castor oil	8111 (Medicinal) 2249.01 (Commercial).
Caustic soda	8373.
Chlorine	8392.
Copper sulfate	8201.
Cotton linters	3004.
Dibutyl phthalate	8025.93.
Formaldehyde	8320.
Glycerin	8314.
Methyl alcohol (methanol)	8310.
Neat's-foot oil	0803.
Phenol	8023.
Phosphorus (elemental)	8398.87.
Phthalic anhydride	8025.90.
Plastics:	
Methyl-methacrylate synthetic resins	8258.03 and 8261.03.
Urea synthetic resins	8257.98, 8260.07, and 8261.07.
Alkyd synthetic resins	8253.
Phenolic synthetic resins	8255.01, 8260.01, and 8261.01.
"Other" synthetic resins	8257.98, 8260.98; and 8261.98.
Cellulose nitrate plastics	(Not reported separately).
Cellulose acetate plastics	8265.05 and 8265.98.
Potash salts	8531.01, 8531.03, 8531.05, and 8531.98.
Potassium permanganate	8359.23.
Soda ash	8365.
Strontium chemicals	8397.82–8397.88.
Sulfuric acid	8309.5 and 8309.7.
Superphosphate	8519.
Tanning materials (chrome)	8239.01.
Toluol	8011.
Tricresyl phosphate	8025.91.
Carbon electrodes	5473.01.
Graphite electrodes	5473.05.
Graphite, natural amorphous	5472.1, 5472.99.
Rubber, crude and products:	
Crude and synthetic	2099.3, 8258.19 and 2001.
Selected products	2014, 2017, 2031, 2034, 2036, 2037, 2038, 2039, 2040, 2042, 2053, 2054, 2064, 2069.05, 2069.98, 2084, 2085, 2086, 2087, 2088, 2093, 2099.9.
Tires—Passenger car casings	2062 and 2063.
Tires—Truck and bus casings	2060 and 2063.
Woodpulp	4601, 4602, 4604, 4606, 4608, 4610 and 4619.
Belting leather	0330.
Calf upper leather	0304.2, 0350.1, 0305.2 and 0304.1.
Sole leather: Backs, bends and sides	0324.
Sole leather: Other than backs, bends and sides	0332.05 and 0332.98.
Manila fibre and cordage	3414, 3499.30 and 3402.
Rayon	3840.10 and 3840.12; 3830.07.
Aconite	2209.27.

[1] Schedule F Number in the case of a few reexport items.

On May 15, 1942, this Order was amended by striking out of Exhibit A the commodity, Farm Equipment, including all of the relevant Schedule B numbers.

No. 343—*Individual Export License Required for Intransit Shipments of Mercury Except Those Under General Intransit License GIT–A/A.*

The Office of Exports has notified collectors of customs that all intransit shipments of mercury, whether virgin, redistilled, or old, now require an individual export license, except shipments proceeding from one part of the British Empire to another under General Intransit License GIT–A/A. Mercury in these forms should therefore be added to the list of commodities mentioned in paragraph 2 of announcement No. 279 in FOREIGN COMMERCE WEEKLY for March 14, 1942.

In this connection, it may be stated as a general policy for all future circulars that shipments under General Intransit Licenses will not be affected by instructions issued by the Office of Exports unless specific statement is made of such change, as in this instance.

The Office of Exports has issued Current Controls Bulletin No. 23, which contains the following new announcements:

Validity of Outstanding Licenses.

The response to Bulletin No. 14, calling for supplementary information on outstanding licenses, has been appreciated by the Office of Exports. It is understood that in some cases exporters were unable to file the information before April 30. Failure to file the supplementary information required by Current Controls Bulletin No. 14 does not automatically render their licenses invalid. All licenses outstanding which are not more than six months old will continue in effect unless notice is given to the contrary.

The Exporters' Service Division.

All exporters are requested to present their inquiries to the Exporters' Service Division.

This Division has been established in the Export Control Branch of the Office of Exports to receive all visitors and telephone calls and all inquiries by wire or mail.

Requests for information regarding export licenses, preference ratings, shipping priorities, blockade control permits, and allocations should be directed to the Exporters' Service Division.

Specific Statement of Delivery Date on PD-1A.

All applications for priority assistance which do not specify a required delivery date will hereafter be returned to the applicant.

The War Production Board's "Priorities Regulation No. 1 as Amended" requires every applicant for priority assistance to specify in his application the latest date on which the items in connection with which priority assistance is requested can be delivered to him to meet his contract obligations or production schedules. Nevertheless, many applicants, especially those submitting individual applications on PD–1A forms, have been specifying "immediately" or "at once" instead of filling in a definite delivery date.

The Use of the Acknowledgement Card with Form BEW 119.

The new application form, BEW 119, requires the continued use of the acknowledgement card. When the application is received in the Office of Exports, the accompanying card is stamped with the case number and returned to the applicant. Many applicants, however, do not get back their cards because they neglect to type their return addresses

EXHIBIT A—*List of Critical Materials Subject to General Exports Order M–148*—Continued

Commodity	Schedule B No.[1]
Red squill	2209.21.
Farm equipment	7143, 7365, 7368, 7800, 7801, 7802, 7804, 7806, 7807, 7808, 7809, 7810, 7814, 7818, 7824, 7827, 7839, 7841, 7842, 7844, 7847, 7849, 7859, 7861, 7864, 7869, 7870, 7879, 7880, 7884, 7885, 7886, 7887, 7889, 7891, 7893, 7896, 7899, and 7975.
Light trucks	7901.05, 7901.98, 7902.05, and 7902.98.
Small electrical heating appliances	7071.05, 7071.98, 7073.05, and 7073.98.
Electric household refrigerators	7057.
Fluorspar (metallurgical, acid and ceramic)	5960.20.
Uranium salts and compounds	8398.30.
Ascorbic acid (synthetic)	8119.98.
Thiamine hydrochloride	8119.98.
Sulfanilimide	8135.98.
Sulfaguanidine	8135.98.
Cranes, hoists and derricks	7234, 7235, 7241, and 7242.
Mechanical household refrigerators	9841.

(Export Requirements Unit, Statistics Division, War Production Board)

PD 365 Date_____

WAR PRODUCTION BOARD
DIVISION OF INDUSTRY OPERATIONS
OFFICE MACHINERY AND SERVICE BRANCH
Washington, D. C.

WPB File No._____

B. E. W. CASE NO.

Permit for Transfer of New Typewriters for Export

From_____
(Supplier)

To_____
(Exporter)

For Export to:_____
(City) (Country)

authorized by Export License, which number corresponds to B. E. W. Case Number shown above, issued by the Board of Economic Warfare, Office of Exports, and pursuant to Section (N) (3) of Limitation Order L–54–A. Upon presentation of this permit within thirty (30) days from date thereof to the supplier, the transfer of the units listed herein to the Exporter by the supplier, is hereby authorized.

Number of units	Type	Make	Description	Value

J. S. KNOWLSON,
Director of Industry Operation.

NOTICE.—This form is for use by an exporter seeking to acquire new typewriters or new sets of parts of typewriters for export from the United States. It is to be sent to the Board of Economic Warfare, Washington, D. C., with application for Export License.

on them, or because they address the return card to the Board of Economic Warfare instead of to themselves. Applicants should be sure also to fill in their own reference numbers on the return cards.

Facsimiles of BEW 119.

Private firms, taking advantage of the authorization to print their own application forms, must reproduce BEW 119 exactly as to size, ink color, and spacing.

Unlimited Licenses—Brass and Bronze.

Brass and bronze may be exported under the Unlimited License issued to the British Purchasing Commission to all parts of the British Empire, including Great Britain and Northern Ireland, and to Egypt. This information inadvertently was omitted from page 81 of Comprehensive Export Control Schedule No. 7. These materials may be exported also under General License to Canada and Newfoundland.

New Typewriters for Export.

It has become necessary to limit the number of new typewriters released for export to essential needs comparable to those set forth in the War Production Board's Limitation Order L–54–A. In the future, therefore, each application for an export license covering new typewriters and/or new sets of parts of typewriters must contain a clear statement concerning the proposed use of the machines and/or new sets of parts of typewriters.

Each application for an export license must be accompanied by an application for a "Permit for Transfer of New Typewriters for Export," in triplicate. (War Production Board Form PD 365. The form shown on this page must be reproduced by the applicant.) The Board of Economic Warfare will clear PD 365 with the War Production Board and, if approved, will return the signed form to the licensee with the export license.

Trade Mark Applications

Argentina.—The following applications for trade-mark registration were published in the Boletin Oficial of April 14 and 21, 1942. Opposition must be filed before May 18, 1942.

Trade-mark	Class No. and commodity
Hobby	No. 15—Entire class.
Emelco	No. 20—Entire class.
Alfa	No. 5—Entire class.

Brazil.—The following applications for trade-mark registration were published on the dates indicated in the Official Gazette of Brazil. Opposition must be filed within 60 days from date of publication.

Trade-mark	Class No. and commodity	Date of publication
		1942
Lider	No. 41—Refined salt	Apr. 13
Sensibil	No. 3—A pharmaceutical specialty.	Do.
Pulp-Finis	No. 10—A product to be used in desntistry.	Apr. 16
Imperial	No. 39—Casings, inner tubes, solid rubber tires, tubes, bushings, disks, diaphrams, balls, belts, stoppers, sheets, and carpets of rubber.	Do.
Tiple (with star above and music bars underneath).	No. 8—Bobbins, valves (radio tubes), transformers, resistors, radio receivers, condensers, antennas, sockets, radio chassis, metal platings or coverings, amplifiers, loudspeakers, vibrators, and dials.	Do.
Original (set over outline of triangle).	No. 51—Belts made with vegetable fiber.	Do.
Rapid (set in outline of circle).	No. 52—Slide fasteners made of plastic materials and acetate of cellulose.	Do.

Uruguay.—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition must be filed within 30 days from date of publication.

Trade-mark	Product	Date of publication
		1942
Chesterfield (and) Granger.	Tobacco, cigars, cigarettes	Apr. 25 to May 1.
Eutral	Drug-store and chemical products.	Do.
Clippers	Tobacco, cigarettes, cigars	Do.

New Books and Reports

★ The following publications, added to the Department's research facilities through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin, May 9, 1942.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price, $2.75 a year. The May 9 issue contains these articles:

OCCUPATION OF MADAGASCAR BY THE BRITISH.

DEVELOPMENTS IN MARTINIQUE.

FALL OF CORREGIDOR:
Statement by the Secretary of State.
Message from New Zealand.

EXCHANGE OF DIPLOMATIC AND CONSULAR PERSONNEL.

COMMODITIES ALLOCATED TO OTHER AMERICAN REPUBLICS.

ARGENTINE APPRECIATION FOR ASSISTANCE TO CREW OF TANKER "VICTORIA."

PROCLAIMED LIST: SUPPLEMENT 4 TO REVISION I.

VISIT TO THE UNITED STATES OF THE PRESIDENT OF PERU:
Statement by President Roosevelt.
Program of Visit.

CULTURAL FACTORS IN THE FAR EASTERN SITUATION: Address by Joseph W. Ballantine.

EMBASSY RANK FOR REPRESENTATION BETWEEN THE UNITED STATES AND THE NETHERLANDS.

PRESENTATION OF LETTERS OF CREDENCE BY THE MINISTER OF IRAQ.

NEW ZEALAND POSTAL CONCESSIONS TO ALLIED FORCES.

EIGHTH PAN AMERICAN CHILD CONGRESS:
Address by Assistant Secretary Long.
Address by Assistant Secretary Berle.

FOREIGN SERVICE CONFERENCE IN MEXICO CITY.

RETIREMENT OF CONSUL GENERAL CARTER.

FOREIGN SERVICE PERSONNEL CHANGES.

TRADE AGREEMENT WITH PERU.

Other Publications

AGRICULTURE IN THE WEST INDIES. Colonial Office. 1942. 280 pp. Compiled from documents supplied to the West India Royal Commission, 1938–39, and other sources. A discussion of historical background is followed by a description of agriculture in Jamaica, Trinidad and Tobago, British Guiana, Barbados, Windward Islands, Leeward Islands, and British Honduras. Concludes with chapters on agricultural education in the West Indies and intracolonial agriculture organization. Detailed maps and photographic illustrations are included.

Available from: Colonial Offices, Downing Street, London, S. W. 1.

AGRICULTURAL MARKETING IN THE COLONIAL EMPIRE. H. A. Tempany, Agricultural Adviser to the [British] Secretary of State for the Colonies. 1942. 21 pp. Reprinted from "The Empire Journal of Experimental Agriculture," January 1942.

Available from: Colonial Office, Downing Street, London, S. W. 1.

INTERNATIONAL AIR TRANSPORT AND NATIONAL POLICY. Oliver J. Lissitzyn. 1942. 478 pp. $5. Discusses the political history of air transport and the complex problems which must be faced by the United States and all great powers in planning the air-transport policies of the future. In this war the airplane has revolutionized military and naval strategy. Equally revolutionary may be the influence of this new means of rapid transportation on international relations after the war. Will it promote the formation of huge national states? Will it so shrink the effective size of the globe as to increase international tensions? Or will it facilitate the establishment of a new world order? These are some of the questions discussed. The author explains the part which diplomatic and military considerations have played in international air transport even in periods of undisturbed peace.

Available from: Council on Foreign Relations, 45 East Sixty-fifth Street, New York, N. Y.

THE UNKNOWN COUNTRY—CANADA AND HER PEOPLE. Bruce Hutchison. 1942. 386 pp. Illus. $3.50. Provides a general glimpse of the surface of Canada and something of the substance, the people, the problems, the history, and the future beneath the surface. Discusses many events in the history of Canada; Champlain and Frontenac and the wars with the Iroquois; the struggles for independent government under William Lyon Mackenzie, grandfather of the present Prime Minister; the boom years followed by drought and collapse of the market; the gold rush in British Columbia, and the story of William Lyon Mackenzie King, the present Prime Minister. Written in the belief that Canadians and Americans know very little about Canada; that Canada is, among the important nations in the world, the least known in its real content; that the future relations between Canada and the United States will inevitably form one of the basic factors of world politics; and that these relations are widely misunderstood and often misrepresented.

Available from: Coward-McCann, Inc., 2 West Forty-fifth Street, New York, N. Y.

FAR EASTERN WAR 1937–1941. Harold S. Quigley. 1942. 369 pp. $2.50, cloth; $1, paper. Reveals the international background of the present war in the Pacific and presents a comprehensive record of the Sino-Japanese war from the attack on the Chinese at Lukouchiao on July 7, 1937, to the bombing of the American naval and air bases in the Hawaiian Islands on the morning of December 7, 1941. Surveys American relations with China and Japan and the repercussions of Japan's program upon British policy in the Far East, upon Indo-China, Thailand, and the Netherlands East Indies. Relations between the Soviet Union and Japan, culminating in the Neutrality Pact of April 1941, are analyzed in terms of the friendly aid given to China by the U. S. S. R. The expansion of Soviet influence in Sinkiang and the maintenance of a supply route for the Chinese armies in their resistance to Japanese invasion, as well as the importance of a united front in the Pacific, are among the many perplexing problems discussed.

Available from: World Peace Foundation, 40 Mount Vernon Street, Boston, Mass.

Wanted: Shingle-Cutting Machinery

Specifications and illustrations of machinery for cutting wood roofing shingles are desired by the Director of Public Works of the government of Nigeria. Interested manufacturers of such equipment should forward material directly to the office of the American Consul at Lagos, Nigeria, indicating the purpose for which it is being sent.

In addition to illustrations and specifications, the Public Works Department would like a general description of the operation, output, and approximate cost of such machinery. Machinery is required for the production of a minimum of 1,000,000 shingles per month, but particulars are also required for machinery designed for both smaller and greater output.

The Public Works Department anticipates the development of a large housing program in the near future, and an effort will be made to utilize local products to a greater extent than ever before, and particularly to get away, as much as possible, from the use of corrugated iron as a roofing material.

At present the Public Works Department is producing approximately 500,000 shingles per month by hand operations, but it is anticipated that the future demand will be so largely increased that hand operations will not be able to supply the requirements of the colony.

Semihardwoods of various types will be used for the manufacture of shingles in Nigeria.

U. S. March Exports Record 80 Percent Gain

Exports from the United States were valued at $608,570,000 in March, which was a gain of almost 80 percent over the $356,691,000 recorded a year earlier, according to the Bureau of the Census.

For the first 3 months of the year, exports totaled $1,566,581,000. The January-March total for 1942 represented an increase of 59 percent over the comparable period for 1941, and was the highest first-quarter total for any year since 1920.

The value of imports in March amounted to $272,287,000, a moderately larger total than either of the preceding 2 months. Total general imports for the first 3 months of 1942 amounted to $779,502,000, 7 percent higher than the same period in 1941.

Summary figures on exports and imports are as follows:

Item	Exports		Imports	
	Total (including reexports)	U. S. merchandise	General (arrivals)	Imports for consumption
1941:				
January	$324,813,000	$317,421,000	$228,665,000	$223,624,000
February	303,110,000	297,968,000	233,698,000	216,663,000
March	356,691,000	349,903,000	267,788,000	254,557,000
1942:				
January	479,480,000	473,537,000	253,654,000	256,129,000
February	478,531,000	474,896,000	253,561,000	238,980,000
March	608,570,000	602,542,000	272,287,000	252,050,000
Cumulative totals:				
January-March, 1941	984,614,000	965,292,000	730,150,000	694,844,000
January-March, 1942	1,566,581,000	1,550,975,000	779,502,000	747,158,000

The release of these figures was in accordance with the previously announced United States governmental policy of reporting the total values of exports and imports while withholding from publication all detailed foreign-trade information by commodity or country of origin or destination.

23,000,000 Dead-Weight Tons of Merchant Vessels

Contracts for the 23,000,000 dead-weight tons of merchant ships which the President has set for the 1942–43 wartime goal of the United States have now been awarded, says a recent statement of the Maritime Commission.

The contracts call for delivery into service of nearly 2,300 ships, either cargo vessels or tankers, before the end of the 2-year period—the greatest merchant ship-building program in world history. This program does not include more than 700 other craft under Maritime Commission order, such as tugs, wooden barges, and small power boats, for which no tonnage is figured.

Present schedules call for delivery of nearly 750 ships in 1942 and the remainder in 1943. The average scheduled production for the 2-year period is about three ships a day. Delivery of one ship a day was begun in February, and the peak of production is expected to be reached late this year.

In addition to contracts for ships, the Commission has authorized construction of 16 new shipyards under Government financing. Two others have been built under order by the British Government and will build Liberty ships when their British contracts are completed. Additional ways in existing yards also have been authorized, so that the capacity of American shipyards capable of building oceangoing vessels of 400 feet or longer has been increased about 500 percent in the last 2 years. Merchant ships of all types are being produced in approximately 60 shipyards on all coasts and the Great Lakes.

Argentina reportedly plans to create a shipbuilding industry so that its merchant marine can be operated on a competitive basis after the war. The Argentine Minister of Marine, in a public statement, views this project as one that will contribute substantially to the Republic's "economic independence."

Passenger cars in Canada cannot be operated as taxicabs, U-Drive, or Drive-Yourself cars unless they were so operated during 1941. This is an order of the Transit Controller dated April 16, 1942.

Venezuela Provides Substitute for Jute

The discovery, by the owner of a bag factory in Venezuela, of a new process which utilizes the Caribbean "malva" as a substitute for East Indian jute in the bagging and cordage industry in the Americas is now reported.

Thousands of tons of cocoa, coffee, sugar, and rice from the other Americas may in the future be shipped in bags made from the common mallow, or malva, which grows wild all over the West Indies, Central and South America. There are many different varieties of malva, known by different names in different countries. Its fiber value has long been known and recognized, but the difficulty lay in finding a satisfactory decortication process—that is, separation of the fibers from the bark.

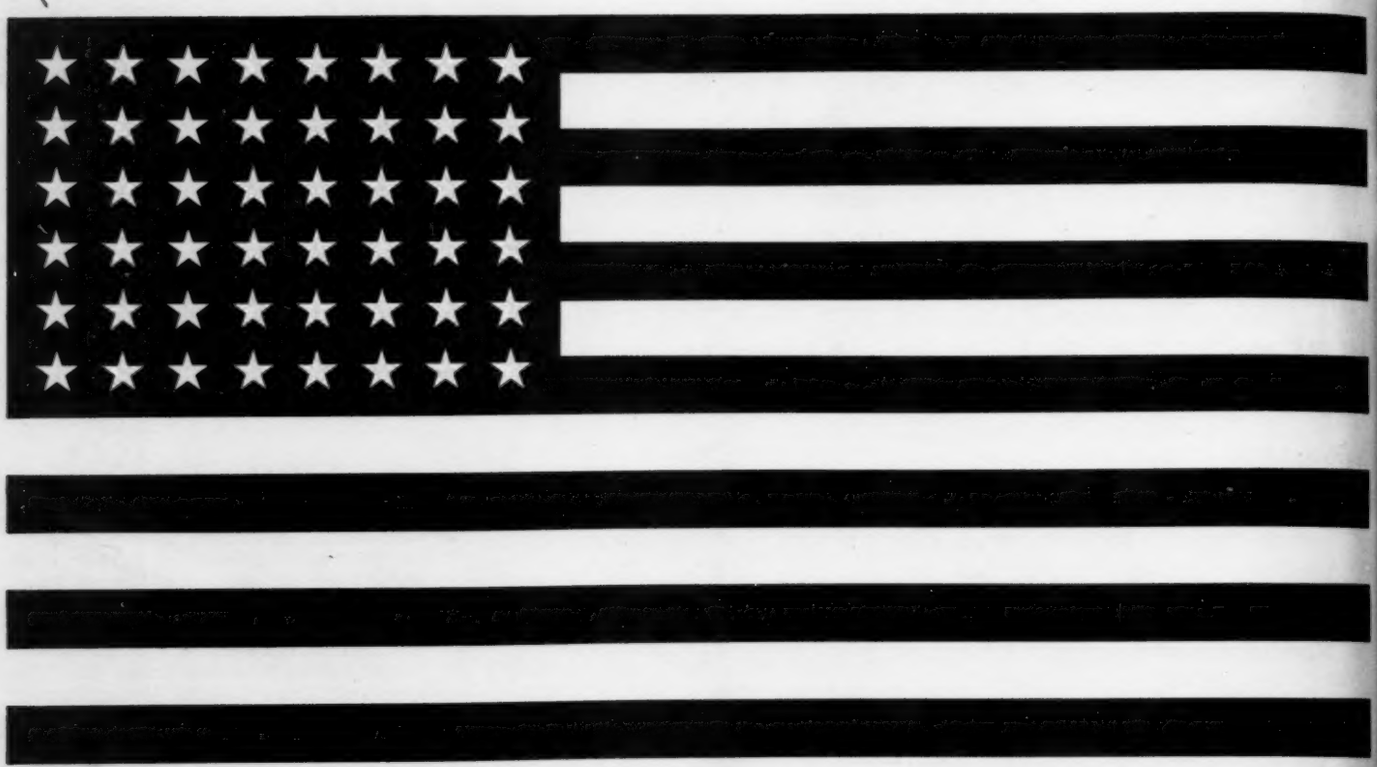
The factory owner mentioned has succeeded in perfecting such a process and is now using it successfully. Through the Export-Import Bank, he is receiving financial assistance which will enable him to expand his operations on a large scale.

Terms of United States Preference Rating Orders Must be Followed

The chairman of the Canadian Wartime Industries Control Board has issued an order stating that any Canadian applicant for or user of a United States Preference Rating Order or Certificate must comply with the terms of such order or certificate and will be liable to the penalties provided under the Wartime Industries Control Board Regulations for failure to comply with such terms or for making a false statement or representation thereunder.

A YEAR FROM NOW
what will we wish
we had done today?

This is Donald Nelson's slogan.
He lives by it. Do you?



GIVE IT YOUR BEST!

U. S. GOVERNMENT PRINTING OFFICE: 1942